Essays on Contemporary Chinese Consumer Behavior

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Abbreviations

B2B	business-to-business
B2C	business-to-customer
C2C	customer-to-customer
CBD	corporate brand dominance
CET	consumer ethnocentrism
COO	country of origin
CRM	cause-related marketing
CSR	corporate social responsibility
CTT	commitment-trust theory
e.g.	exempli gratia (for example)
et al.	et alii (and others)
eWOM	electronic word-of-mouth
HK	Hong Kong
i.e.	id est (that is)
NBP	negative brand publicity
Non-CSR	non-corporate social responsibility
PBG	perceived brand globalness
PRC	People's Republic of China
SAR	special administrative region
WOM	word-of-mouth
US	United States

1. Introduction

Understanding consumer buying behavior or responses toward various marketing strategies is critical to the success of business organizations. Following the economic rise of People's Republic of China (PRC), numerous international corporations have started to operate various businesses in China. Since the implementation of free market reforms in 1979, China has been among the world's fastest-growing economies and has emerged as a major economic power. It is now one of the world's largest economy, manufacturer, merchandise trader, and holder of foreign exchange reserves (Morrison, 2015). Owing to the differences in cultural values and social norms from the Western societies, it would be interesting and important for the international marketing managers to well understand Chinese consumers' buying behavior and their responses to various marketing or branding strategies.

As stressed by Qiu (2011), international firms need to understand some particular factors so that they can successfully sell products or services to Chinese consumers. Those factors may include: Chinese consumer habits are changing, small discounts are better than none, product safety mistakes can be devastating, people greatly value "face", Chinese generally favor foreign brands, pricing is a sensitive issue, understanding the government, legal and political systems is critical, and localization is the key. In the current Chinese markets, negative brand publicity is commonly found. Many firms are found to have scandals involving poor product quality performance or unethical practices. It would be crucial to investigate consumer responses and attribution formation toward negative brand publicity so that firms can formulate appropriate strategy to mitigate the negative impact of brand-harm crises. In the perspective of brand management, a firm's corporate social responsibility (CSR) activities are likely to alleviate the detrimental effect of negative brand publicity. However, Chinese consumers' responses toward brands associated with CSR may be influenced by their face concern. Owing to their social values, Chinese consumers normally tend to pay a higher degree of attention toward their face. They would have a higher purchase intention for a brand associated with CSR if the purchase can enhance their face. Accordingly, green companies may make use of this concept or knowledge to communicate with

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the consumers in China.

Thanks to the Internet technology, digital platforms have helped in brand building and business transactions. As a matter of fact, we are moving from information technology era to data technology era and it is important for firms to well understand the needs and wants of contemporary consumers. E-commerce continues to outplace traditional retail sales. Many e-retailers and advertising agencies have been using incentives to influence online reviews or ratings. Online consumers are always invited to provide positively biased or fake online reviews with the incentive of monetary reward. However, such unethical online review invitations may cause a backfire and jeopardize consumers' trust in sellers and even the entire e-retailer review system. Although the growth of e-business is very prominent, direct selling in China has continued to post an outstanding performance in the past few years (Euromonitor International, 2016). Many new players have recently acquired licenses for direct selling in China. In fact, consumer trust is believed to be an important factor for the success of both direct selling and online marketing.

Our research interest focuses on Chinese consumers' buying behavior and their responses toward these contemporary issues happening in China. Specifically, we discuss and investigate those issues in four separate empirical papers:

- The first essay aims to examine consumer responses and attribution formation with regard to negative brand publicity and corporate brand dominance.
- The second essay investigates the impact of face concern on consumer responses toward hospitality brands associated with corporate social responsibility (CSR).
- The third essay examines the impact of unethical online review invitations on consumers' review intention and trust in seller/e-retailer review system.
- The fourth essay investigates consumers' trust in direct selling and online shopping.

In the first essay titled "*Consumer Attributions Toward Brand-Harm Crisis: The Role of Corporate Brand Dominance*", we examine consumer attribution formation regarding two types of negative brand publicity (namely performance-related and morality-related). We also examine the moderating role of corporate brand dominance in the relationship between negative brand publicity and consumer attributions. Corporate brand dominance is associated with corporate branding strategy and refers as the visibility of a firm's corporate brand in product communications. Experimental results show that the effect of negative brand publicity on consumer attributions is moderated by corporate brand dominance. When corporate brand dominance is high (vs. low), consumers are more inclined to form non-firm-related locus of causality and uncontrollability attributions in response to performance-related negative brand publicity. However, in response to morality-related negative brand publicity, consumers are more inclined to form firm-related locus of causality and controllability attributions when corporate brand dominance is high (vs. low). Marketing or brand managers may make use of the findings to formulate their corporate branding strategy based on the likelihood of their type of negative brand publicity that may happen. Future research may examine the influence of moderating variables such as individual thinking style (holistic vs. analytic) that is likely to moderate the role of corporate brand dominance in brand-harm crisis situations.

In the second essay titled "*The Effect of Face Concern on Hospitality Brands Associated with Corporate Social Responsibility*", we examine how Chinese consumers evaluate brands associated with corporate social responsibility (CSR), with a focus on hospitality industry. Face is a positive image of self and is affirmed through interaction with others. Since a person's association with CSR brands can maintain his or her positive self-image, the purchase of CSR brands may contribute to face enhancement. We suggest that Chinese consumers with a high (vs. low) face concern would have better quality perception and higher purchase intentions and propensity to provide positive word-of-mouth for hospitality brands with strong CSR associations. In addition, the favorable impact of face concern will be more pronounced in public than in private service settings. Results from three experimental studies support these arguments. For restaurants involving CSR activities, they may

appeal to customers about the enhancement of face in their marketing communications.

The third essay titled "*The Impact of Unethical Online Review Invitation on Consumer Responses*: *The Role of Shopping Experience and Altruism*" investigates the effects of unethical online review invitation on consumers' biased review intentions and their trust in the sellers and e-retailer review system. The moderating roles of shopping experience and altruism are examined as well. In order to examine the proposed hypotheses, two experimental studies were performed. The findings show that rewarded online review invitation will negatively affect consumers' attitude toward a brand and the firm. As a result, business firms should not adopt such marketing communication strategy. Rewarded reviews would induce consumers' distrust in the seller's rating record and credibility. More importantly, spillover effect may occur and consumers' distrust in a seller can generalize to the entire e-retailer review system.

Finally, the fourth essay titled "*Exploring Trust in Direct Selling and Online Shopping*" explores Chinese consumers' perception of risk and trust in direct selling and online shopping situations. This research is exploratory in nature and consists of two major studies. The first study examines the dimensions of interpersonal trust which would affect the buyer-salesperson relationship in a direct selling situation. It also investigates consumers' perceived risk and advantages of direct selling. Questionnaire survey of consumers and non-consumers of direct selling companies was conducted. The results show that there are six dimensions of interpersonal trust in the buyer-seller relationship in direct selling. Unsolicited telephone call (such as telemarketing) is found to have the highest perceived risk and the ability to shop at home is found to have the highest advantage rating of direct selling. The second study was designed as an exploratory study using a personal interview survey in which samples were chosen independently from a number of major cities in China. Two different measures of trust were used (i.e., Cognitive Trust, and Organization Trust). For one measure of trust, Cognitive Trust, there is a significant difference between the two shopping approaches (online shopping vs. direct selling) with the value of trust generally being greater for direct selling. In

contrast, for Organization Trust, the second measure of trust, the value is greatest for online shopping. This is the first study to examine trust in both online shopping and direct selling in the same study. A set of research propositions are proposed which can serve as guides for formal testing in future research.

2. Essay I: Consumer Attributions Toward Brand-Harm Crisis: The Role of Corporate Brand Dominance

Abstract

This study aims to investigate consumer attributions toward two different types of negative brand publicity, namely performance-related (e.g., product defects) and morality-related (e.g., unethical practices). It also examines the moderating roles of corporate brand dominance in the relationship between negative brand publicity and consumer attributions. Corporate brand dominance (CBD) is associated with corporate branding strategy and refers as the visibility of a firm's corporate brand in product communications. An experimental study was conducted in a major city of China. The results show that the effect of negative brand publicity on consumer attributions is moderated by corporate brand dominance. When corporate brand dominance is high (vs. low), consumers are more inclined to form non-firm-related locus of causality and uncontrollability attributions in response to performance-related negative brand publicity. However, in response to morality-related negative brand publicity, consumers are more inclined to form firm-related locus of causality and controllability attributions when corporate brand dominance is high (vs. low). Managerial implications are discussed.

2.1 Introduction

Brand equity is recognized as one of the most important assets that a firm owns. However, negatively publicized instances are likely to impair brand equity. In fact, there has been a growing interest in the marketing literature in the effects of negative brand publicity (NBP) on consumer responses (Ahluwalia, Burnkrant, and Unnava 2000; Dawar and Pillutla 2000; Roehm and Tybout 2006). Such interest has been triggered by heavily reported brand scandals such as the 1982 Tylenol cyanide poisoning episode and the 2007 massive recall of made-in-China Mattel toys containing excessive levels of lead paint. In 2008, Sanlu Group (a state-owned Chinese dairy products company) received a bankruptcy order due to its melamine-tainted milk which caused kidney stones and other complications to many Chinese infants. Consumer vulnerability to negative publicity about a firm's products is a research topic that is not yet well developed in the marketing literature. As denoted by Pullig, Netemeyer and Biswas (2006), the literature provides only limited theoretical insights for understanding the problem.

Previous researches on negative publicity have mainly been interested in explaining how negative brand information is mentally processed, and more specifically how it diffuses to relevant brand linkages such as sub-brands (e.g., from Maple Leaf Foods to Schneider), cobrands, and competing brands (e.g., from Maple Leaf Foods to Hygaard) (see Lei, Dawar, and Lemmink 2008). As a matter of fact, much of previous research has examined the effects of product-harm crises or performance-related negative brand publicity on consumer responses or evaluations (Ahluwalia, Burnkrant, and Unnava 2000; Mizerski, 1982; Roehm and Tybout 2006), very limited studies have been done to investigate the influences of moral scandals or morality-related (also named as value-related) negative brand publicity. Research on attribution theory has shown that people are not passive information receptors, they usually want to make sense of the available information by trying to find out the probable causes (Folkes 1988; Griffin, Babin, and Attaway 1996). Thus, consumers who are informed of a brand scandal will usually go beyond the negative information in order to construct a coherent schema: To what extent is the company responsible? To which products within the company's brand portfolio

is the problem applicable? To which competing offerings does the problem generalize? The severity of a product defect appears to be an important aspect in such consumer causal analyses. When the defect has little importance over one's life (e.g., a smartphone's Wi-Fi device that causes headaches), the effects are likely to be different from when the consequences are more dramatic (e.g., memory loss). Moreover, the perceived risk associated with the product defect as well as the perceived degree of control that the firm has over the occurrence of the negative events appear to be particularly relevant to explain and predict the impact of negative brand publicity on consumer responses (Dawar and Pillutla 2000).

As denoted by Pulling, Netemeyer and Biswas (2006), the nature of negative events may vary from those that are primarily related to product performance (e.g., product defects) to those that are more organizational or values related in nature (e.g., discrimination, labor abuses). In an increasingly globalized marketplace, processing negative brand publicity is likely to be complicated and may even lead to ambiguous consumer attributions which may be contingent on the nature or types of negative band publicity. Therefore, it is imperative to look into how different types of negative brand publicity affect the attribution process formed by the consumers. To address this gap, this research is designed to examine the relationship between the two major types of negative brand publicity and consumer attributions regarding locus of causality (whether the cause of negative event has something to do with the firm or other external third party) and controllability (whether the cause of negative event may or may not be controllable by the firm). The two types of negative brand publicity are performance-related and morality-related. As a high degree of firm visibility and reputation may protect the firm from the damage of negative publicity, we expect that corporate branding strategy associated with corporate brand dominance (CBD) would mitigate the effect of negative brand publicity on consumer attributions.

Specifically, our research objectives are: (1) to examine the impact of negative brand publicity (performance-related vs. morality-related) on consumer attributions regarding locus of causality and controllability; and (2) to investigate the moderating role of corporate brand dominance in the

relationship between negative brand publicity and consumer attributions. This research offers a new perspective in the understanding of the relationship between consumer attributions and negative brand publicity by differentiating the two major types of negative publicity. The research findings can enrich the existing marketing literature related to negative publicity and brand communications.

2.2 Conceptual Framework and Research Hypotheses

The two types of negative brand publicity (i.e., performance-related negative publicity, and morality-related negative publicity) are expected to be influenced by two major types of consumer causal attributions (namely locus of causality, and controllability). We expect that the relationship between the two types of negative brand publicity and consumer attributions are moderated by corporate brand dominance. Drawing on attribution theory in consumer research (Folkes 1988; Jones and Davis 1965; Weiner 1986), we posit that the locus of causal attributions for a negative event is an important outcome of negative brand publicity. When there are negative publicity, consumers would seek to explain the reasons and causes of those negative events. When consumers surprisingly encounter a situation of brand-harm crisis, they are likely to evoke "spontaneous attributional activity" and their attributions of causality will determine their emotions and updated beliefs toward the brand. From a consumer's perspective, the issue is to assign responsibility for the negative event. It is likely that the two types of negative publicity will lead to the formation of consumer attributions regarding locus of causality during the attribution process (Folkes 1988; Griffin, Babin, and Attaway 1996; Weiner 1986). As pointed out by Weiner (2000), consumers' perceptions of controllability dimension of attributions may link to inferences regarding personal responsibility, moral judgments, and moral emotions. We believe that controllability attributions also play an important role in the attribution process for negative publicity. However, the formation of consumer attributions is ambiguous and may depend on the brand associations in consumers' mind.

Significant differences between the effects of the two types of negative publicity on consumer attributions is expected to be found for a situation of high (vs. low) degree of corporate brand dominance. As indicated by Klein and Dawar (2004), corporate social responsibility (CSR) has spillover or halo effect on consumer judgments and affects consumers' attributions in a product-harm crisis situation. Besides such corporate associations, we posit that corporate branding strategy may also influence consumer judgments and attributions in a brand-harm crisis. In the branding strategy denoted by Laforet and Saunders (2005), a firm can label a product or service by a separate brand name (stand-alone), by only the corporate brand name (monolithic), or by a combination of two (endorsed brand name). In this study, corporate brand dominance refers as the degree of visibility of a firm's corporate brand in product communications (Berens, van Riel, and van Bruggen 2005). This dominance is a direct consequence of a firm's corporate branding strategy. A high degree of visibility normally results in a higher level of brand familiarity and reputation, and a lower level of perceived brand uncertainty (Morrin 1999). In addition, corporate ability associations would be perceived as stronger. For a brand with high (vs. low) corporate brand dominance, consumers' prior brand attitude certainty would be higher (Pullig, Netemeyer, and Biswas 2006). Based on the accessibility-diagnostic framework, consumers may simply use the information available in the memory to make the judgment or diagnostic decision. Consumers tend to counter-argue the negative information about the brand and blame other external parties for the negative events and the locus of causality would be non-firm-related. They also tend to think that the negative events are not controllable by the firm. However, this prediction may only be valid for negative publicity from a performance-related event, but not from a morality-related event. For a situation of morality-related negative event, consumers would have a perception of corporate hypocrisy which leads to a high blame of the firm for causing the negative event, particularly as the firm has emphasized its CSR associations. Corporate hypocrisy is defined by Wagner, Lutz and Weitz (2009) as the belief that a firm claims to be something that it is not. It may occur when there appears to be a discrepancy between assertions and performance (Shklar 1984). Therefore, consumers tend not to counter-argue the negative information and blame the firm itself for the negative events and the locus of causality would be firm-related. They also

tend to think that the negative events are controllable by the firm. However, we do not expect such moderating effect in low corporate brand dominance in which consumers' prior brand attitude certainty is relatively low. Therefore, we propose the following hypotheses:

H1: Corporate brand dominance moderates the effect of negative brand publicity on consumer attribution process. When corporate brand dominance is high (vs. low), consumers are more inclined to form non-firm-related locus of causality and uncontrollability attributions in response to performance-related negative brand publicity.

H2: When corporate brand dominance is high (vs. low), consumers are more inclined to form firm-related locus of causality and controllability attributions in response to morality-related negative brand publicity.

2.3 Methodology

A 2 (type of negative publicity: performance-related vs. morality-related) x 2 (corporate brand dominance: high vs. low) between-subjects experimental design was used. 160 adult consumers (46% male, aged between 18 and 56) in a major city of China were recruited to participate in the experiment via mall intercepts. They were randomly assigned to one of the experimental conditions. A pretest (n=40) was conducted before the actual experiment so as to test and refine the experimental design and measurements.

Based on the pretest, a clothing brand (Mango) was selected for the experiment because it was involved in a brand-harm crisis situation for having a negative brand publicity about its poor product quality (performance-related publicity). On the other hand, a milk power company (OZMilko) was selected

because it was having a negative brand publicity for changing its products' expiry dates (morality-related publicity). The participants were informed that both companies were subsidiary companies and had reputable parent companies in overseas countries (i.e., "Punto Fa" for Mango, and "OZDairy" for OZMilko). The pretest showed that the relationship between the parent and subsidiary companies was well recognized by the participants. In order to manipulate the corporate brand dominance (CBD), two versions of advertisements were used. For high-CBD, the name and logo of the parent company was displayed prominently using obvious and big font on top left corner of the advertisement, while the subsidiary company's brand was small in font size and shown on the bottom left corner of the advertisement. For low-CBD advertisement, the name and logo of the parent company was displayed in small font size and shown on the bottom left corner of the advertisement, while the subsidiary company's brand name was prominently displayed on top left corner of the advertisement with big font size. The participants were expected to perceive a high level of visibility, familiarity, and reputation of the parent brand under high-CBD condition, but a low level of those attributes under low-CBD condition. Manipulation check was conducted. Then, the participants were required to read a newspaper article concerning the corresponding type of negative publicity. Based on the treatment condition, the subjects were exposed to a newspaper article reporting the brand-harm crisis event which was either performance-related (i.e., poor product quality of Mango's products was found) or morality-related (i.e., a change of OZMilko products' expiry dates was found).

2.3.1 Measures and Manipulation Checks

Adapted from the work of Folkes, Koletsky and Graham (1987), locus of causality attributions were measured by three 7-point Likert-type items such as: "The firm was responsible for the negative event", "The firm should be blamed for the negative event', and "The firm did contribute to the unpleasant outcome" (1 = strongly disagree; 7 = strongly agree; $\alpha = .80$). Controllability attributions were also measured by three 7-point Likert-type items such as:

"The negative incident was controllable by the firm", "Nobody in this firm could have stopped the incident from happening", and "Little could be done by this firm to stop what happened in the incident" (1 = strongly disagree; 7 = strongly agree; $\alpha = .76$).

Following the approach used by Pullig, Netemeyer and Biswas (2006) in assessing the success of negative brand publicity manipulation, the participants were asked to list their thoughts and responses toward the negative publicity. Participants in the performance-related condition were expected to list more performance-related thoughts while participants in the morality-related condition are expected to list more morality-related thoughts. In addition, the equality in strength of the two different types of negative publicity were assessed. Participants were asked to rate the (un)favorableness of the reported negative event publicity on a 7-point semantic differential scale ranging from 1 (very unfavorable) to 7 (very favorable). It is found that there was no significant mean difference between participants in the two negative publicity conditions in terms of perceived (un)favorability. Furthermore, participants were asked to rate the realism of the experimental scenario on a 7-point semantic differential scale ranging from 1 (not realistic at all) to 7 (very realistic). The mean of this measure was significantly above the theoretical midpoint of 4.

Two manipulation checks were employed to assess the success of corporate brand dominance manipulation. The participants were asked about their familiarity with the brand on a 7-point semantic differential scale ranging from 1 (very unfamiliar) to 7 (very familiar), adapted from Berens, van Riel and van Bruggen (2005). In addition, brand reputation was measured on a 7-point semantic differential scale ranging from 1 (not reputable not all) to 7 (very reputable). Significant mean differences between the two different conditions (high vs. low) were found (5.35 vs. 2.53; $t = 27.02$; $p < 0.001$). Control variables such as perceived severity of the negative incident and credibility of the message source were measured as well. After the completion of experiment, the participants were thanked and debriefed.

2.4 Results

Manipulation checks regarding the two different corporate brand dominance settings and types of negative brand publicity were conducted as discussed above. The finding indicates that the manipulation of high- vs. low-CBD was successful ($p <0.001$) and also the manipulation of performance-related vs. morality-related negative publicity. Table 2.1 shows the means and standard deviations of the major measurements.

Table 2.1

Impact of Corporate Brand Dominance on Consumer Attributions Toward Negative Brand Publicity

| | Negative Publicity | | | |
| | Performance-related | | Morality-related | |
Attributions	Mean	SD	Mean	SD
(1)Non-firm-related				
High CBD	2.5	0.46	1.4	0.71
Low CBD	1.8	0.67	2.2	0.48
(2) Uncontrollability				
High CBD	3.9	0.43	1.6	0.62
Low CBD	3.2	0.59	2.5	0.73

2.4.1 Locus of Causality Attributions

A 2 x 2 ANOVA showed that when CBD was high (vs. low), the participants were more inclined to form non-firm-related locus of causality attributions in response to performance-related negative brand publicity (M = 2.5 vs. 1.8, respectively; $F(1, 156) = 51.5$, $p < 0.001$). However, when the type of negative publicity was morality-related, high CBD would result in a smaller level of non-firm-related locus of causality attributions formed by the participants (M = 1.4 vs. 2.2; $F(1, 156) = 65.4$; $p < 0.001$). A low level of non-firm-related attributions means that the participants would blame the firm in a greater extent. In other words, the negative impact of negative publicity on the locus of causality (i.e., firm-related attributions) was more pronounced when the type of negative publicity was morality-related and under a high-CBD condition. Nevertheless, the negative impact was the smallest when the type of negative publicity was performance-related and under a high-CBD condition (M = 2.5). This effect was qualified by an interaction of corporate brand dominance and type of negative brand publicity ($F(1, 156) = 112.5$, $p < 0.001$). Figure 2.1 shows the pattern of means of the non-firm-related attributions across the two different types of negative brand publicity and levels of corporate brand dominance.

2.4.2 Uncontrollability Attributions

As predicted, a 2×2 ANOVA also showed when CBD was high (vs. low), the participants were more inclined to have uncontrollability attributions in response to performance-related negative brand publicity (M = 3.9 vs. 3.2 respectively; $F(1, 156) = 42.1$, $p < 0.001$). However, when the type of negative publicity was morality-related, high CBD would result in smaller level of uncontrollability attributions formed by the participants (M = 1.6 vs. 2.5; $F(1, 156) = 80.5$, $p < 0.01$). A low level of uncontrollability attributions means that the participants would blame the firm in a greater extent. The negative impact of negative publicity on the controllability attributions (opposite to uncontrollability) was more pronounced when the type of negative publicity was morality-related and under a high-CBD condition. Similar to the effect on

non-firm-related attributions, the negative impact on consumer responses was the smallest when the type of negative publicity was performance-related and under a high-CBD condition (M = 3.9, for uncontrollability attributions). In fact, a high level of uncontrollability attributions implies that the participants would think the happening of the negative crisis was not easily controlled by the firm and so they tended to blame the firm less. This effect was qualified by an interaction of corporate brand dominance and type of negative brand publicity ($F(1, 156) = 173.2$, $p <0.001$). Figure 2.2 shows the pattern of means of the uncontrollability attributions across the two different types of negative brand publicity and levels of corporate brand dominance. Based on the above results, both H1 and H2 are supported.

Figure 2.1

Effect of Corporate Brand Dominance on the Relationship between Negative Brand Publicity and Non-firm Related Attributions
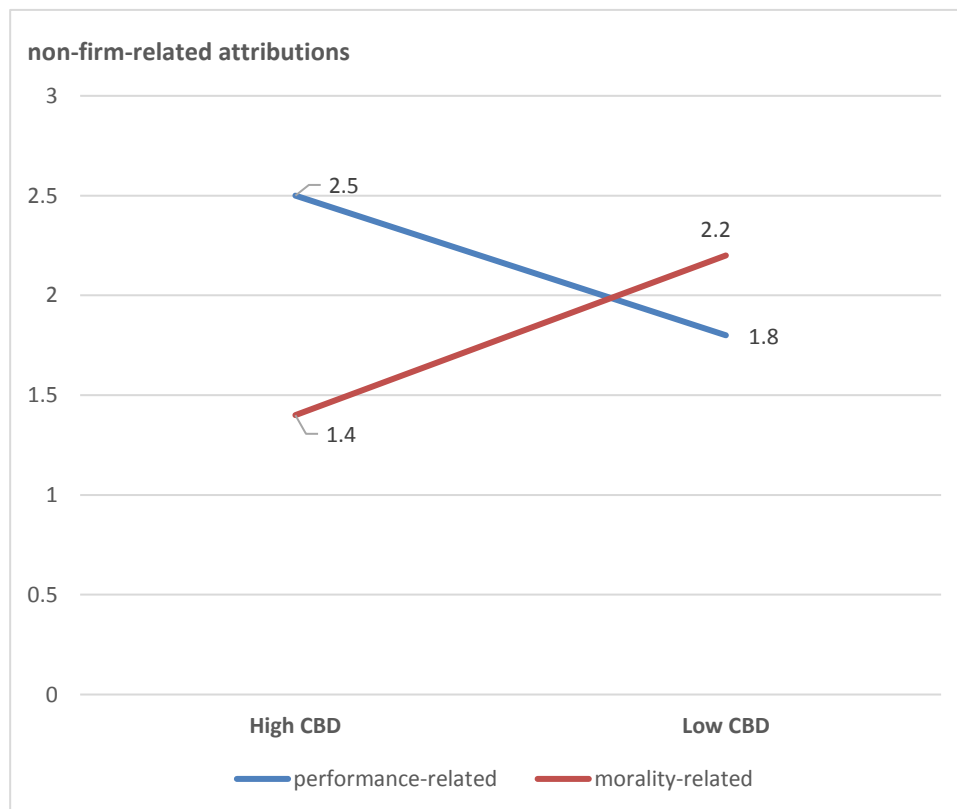
Figure 2.2

**Effect of Corporate Brand Dominance on the Relationship between
Negative Brand Publicity and Uncontrollability Attributions**
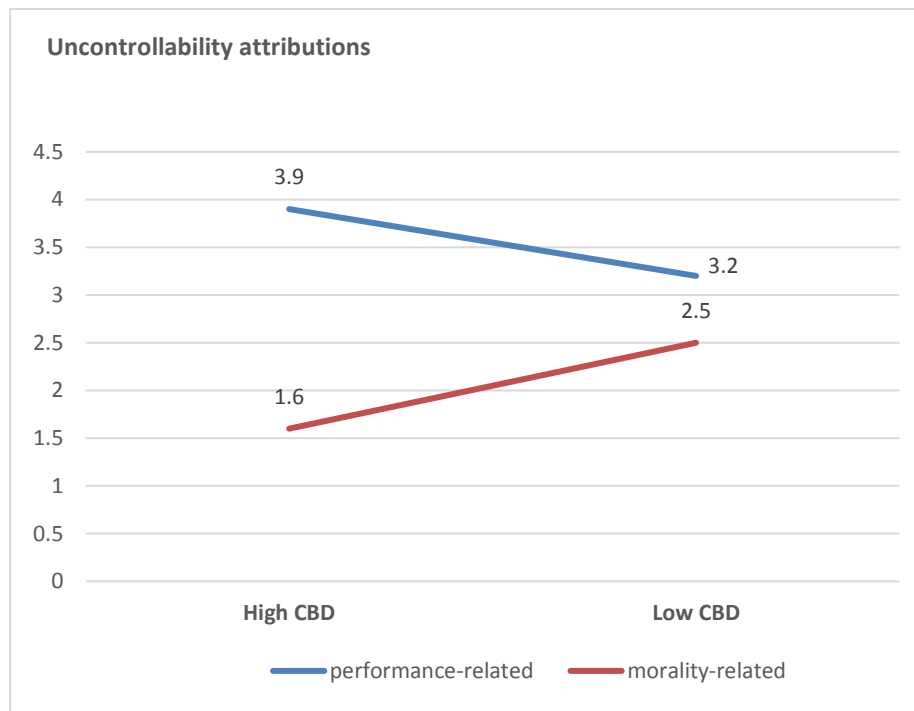
2.5 Conclusion and Discussion

The findings show that when corporate brand dominance is high (vs. low),
consumers are more inclined to form non-firm-related locus of causality and
uncontrollability attributions in response to performance-related negative
brand publicity. On the contrary, consumers are more inclined to form firm-
related locus of causality and controllability attributions in response to
morality-related negative brand publicity, when corporate brand dominance is

high (vs. low). Both H1 and H2 are supported. Marketing and brand managers are suggested to pay attention to consumer responses toward the two different types of negative brand publicity and formulate appropriate recovering strategies to counteract the negative outcomes. As discussed above, corporate brand dominance (CBD) is associated with corporate brand strategy. If the corporate has a subsidiary company which has insufficient competence in producing high quality product and product quality problems may arise easily, it is better to use monolithic branding strategy (i.e., using corporate brand name). But this suggestion may be valid only when the corporate brand name has high levels of visibility, familiarity, and reputation.

In general, the two different types of negative brand publicity may have different effects on product evaluations, company evaluations and purchase intentions. For instance, defective performance of a particular product may influence consumers' evaluations of that product and purchase intentions but not necessarily evaluations of the firm, particularly as the consumers form non-firm-related attributions and do not blame the firm for the fault. In contrast, a moral scandal may affect consumers' evaluations of the firm and most likely purchase intentions as well, but it may not affect product evaluations. Consumers' evaluations of the firm and purchase intentions will be negatively affected, but not evaluations of the product. Future research may extend this current study by involving the measurement of consumer responses like product evaluations, company evaluations and purchase intentions. In addition, we predict that the moderating influence of corporate brand dominance on the effect of negative brand publicity depends on individual's thinking style. We posit that analytic thinkers are less likely to consider contextual factors and so they tend to update their brand beliefs and attribute the negative information to the brand. Therefore, it is likely that the moderating effect of high (vs. low) corporate brand dominance on the influence of negative publicity is absent or weaker when the consumers' thinking style is analytic. On the other hand, holistic thinkers are more balanced in thinking and more likely to consider external context-based explanations for the negative publicity, resulting in little or no revision of beliefs about the brand. In other words, when the consumers' thinking style is analytic, the moderating influence of high (vs. low) corporate brand dominance on the effect of negative brand publicity will be absent or

weaker. However, when the consumers' thinking style is holistic, the moderating influence of high (vs. low) corporate brand dominance on the effect of negative publicity will be unchanged. Future research may examine such propositions regarding the role of individual thinking style (holistic vs. analytic).

From a theoretical standpoint, this research lay the foundation for a theoretical framework of the relationship between consumer attribution process and negative brand publicity. Our framework is conceived of the nature of negative brand publicity and its interplay with corporate reputational assets in determining consumer attributions which are expected to influence consumers' evaluations and responses toward the affected brand. Future research can certainly build on the proposed concepts and further examine other influencing factors within the domain of negative brand publicity. Different from previous research, our focus is on the impact of different types of negative brand publicity. The conceptual approach reflects our observation of the market phenomenon where the locus of causality of negative brand publicity has become increasingly complicated. A case in point is the lead paint problem involved in Mattel's toys, in which both Chinese manufacturers and the design companies were blamed for the product defects (Gilbert and Wisner 2010). By investigating the attribution process, we expect to advance the existing marketing literature on negative brand publicity (Ahluwalia, Burnkrant, and Unnava 2000; Lei, Dawar, and Gurhan-Canli 2012; Monga and John 2007; 2008). In practice, our research has important managerial implications. For practitioners and policy makers alike, the implication is that understanding the nature of negative brand publicity and the underlying factors influencing consumer attributions of causality may provide valuable insights and guidance. When the negative publicity is performance-related and the corporate brand dominance is high (vs. low), consumers are likely to form non-firm-related attributions and attribute the cause of the problem to a third party such as supply chain members. In addition, the consumers are likely to think that the problem could not be controlled by the firm. Such effects are expected to be more prominent for those who are holistic thinkers, but not analytic thinkers. However, these predictions may not be true for value-related negative publicity in which consumers' perception of corporate hypocrisy may lead to

a high blame of the firm for causing the problem, particularly as the firm's marketing communications have emphasized on corporate social responsibility (Wagner, Lutz, and Weitz 2009). As a result, practitioners should monitor the nature of negative brand publicity and build on the baseline scenario to develop more effective brand management and marketing communication programs so as to minimize any potential negative impact on their companies' reputations and product brands. For policy makers, the implication is that consumers tend to be biased in response to the complexity of negative brand publicity. Therefore, it is crucial to proactively help consumers better understand the negative event and build a more regulative yet supportive institutional environment to help the relevant stakeholders for coping with the outcomes of negative brand publicity.

This study has a limitation of not examining the situation of mixed brand strategy. Future research may address this limitation by examining the corporate brand dominance level under three different types of branding strategy − monolithic, standalone, and endorsed. Owing to the differences in cultural dimensions, it would be interesting to perform a cross-cultural comparison between Western and Asian consumers regarding the formation of consumer attributions toward negative brand publicity.

3. Essay II: The Effect of Face Concern on Hospitality Brands Associated with Corporate Social Responsibility

Abstract

This study examines how Chinese consumers evaluate hospitality brands associated with corporate social responsibility (CSR). Face is a positive image of self and is affirmed through interaction with others. Since a person's association with CSR brands can maintain his or her positive self-image, the purchase of CSR brands may contribute to face enhancement. We suggest that Chinese consumers with a high (vs. low) face concern would have better quality perception and higher purchase intentions and propensity to provide positive word-of-mouth for hospitality brands with strong CSR associations. In addition, the favorable impact of face concern will be more pronounced in public than in private service settings. Results from three experimental studies support these arguments. Managerial implications for hospitality service managers regarding communication and brand management strategies are discussed.

3.1 Introduction

With the growing concern over business ethics and sustainability around the world, more and more consumers are expecting business firms to go beyond their profit-maximizing goals and boost the wellbeing of the community (Nicolau 2008). The global branding consultancy Interbrand has recently launched the Best Global Green Brands ranking so as to evaluate the performance of global brands in taking care of the environmental issues (Interbrand 2012). The significance of corporate social responsibility (CSR) has indeed received increasing attention in the service and hospitality research (e.g., Eisingerich et al. 2011; Garay and Font 2012; Lee and Park 2009; Nicolau 2008). Despite the fact there were some inconclusive findings in the relationship between CSR and financial performance of firms (e.g., Banerjee, Iyer, and Kashyap 2003; Rodriguez and Cruz 2007; Salzmann, Ionescu-somers, and Steger 2005), recent studies have generally advocated that CSR activities contribute to the long-term business growth and success of firms (Garay and Font 2012; Inoue and Lee 2011; Kang, Lee, and Huh 2010). Lee and Park (2009) demonstrate a positive relationship between CSR activities and corporate financial performance in the hotel industry. Garay and Font (2012) also show a positive correlation between CSR and corporate financial performance for small and medium accommodation enterprises. Majority of these studies have mainly focused on the influence of CSR activities at the corporate level, relatively few of them have investigated the influence of CSR activities at the individual level. The hospitality and service industries have grown significantly in the Asia Pacific region during the past decade and the Asian market is forecasted to grow more progressively in the next ten years (UNWTO 2013). This study aims to further enrich the literature of consumer behavior in the hospitality services sector.

Building on the social psychology literature concerning facework competence (Ting-Toomey and Kurogi 1998), we suggest that face concern may play a critical role in influencing consumer perception and evaluation of brands associated with CSR (namely, CSR brands). Face concern is a personal value that is related to maintaining one's self-image in front of others. Face refers to the positive social value a person effectively claims for himself or

herself (Goffman 1967). It explains the basic human need for social acceptance (Hwang, Francesco, and Kessler 2003). As CSR associations enhance the reputation and image of a company, consumers identify themselves with the company that engages in CSR activities would enable them to maintain a positive self-image (Brown and Dacin 1997; Tajfel and Turner 1985). As consumers with a high (vs. low) face concern are more motivated to maintain a positive self-image, they would react more favorably toward hospitality brands with CSR associations. The basic research questions of this study are: Would face concern moderate the effect of CSR on consumer responses? Would consumers' evaluations of hospitality brands with CSR associations be greater for public (vs. private) consumption condition?

This study proposes a theoretical framework that highlights the role of face concern in Asian consumer evaluations of hospitality brands with CSR associations, and examines the proposed hypotheses by employing experimental designs involving mall intercepts and online surveys. Specifically, the major objectives of this study are (1) to examine the role of face concern in the relationship between CSR and consumer responses, and (2) to investigate whether the positive effect of face concern on consumer evaluations will be stronger in public than private consumption situations.

3.2 Theoretical Framework and Hypotheses

Corporate Social Responsibility (CSR)

As stressed by Albus and Ro (2017), 95 percent of the largest 250 global companies are involved in CSR activities (KPMG 2011) and the hospitality industry has also operated various forms of CSR initiatives such as community involvement, environmentally friendly practices, and consumer and employee relations (Holcomb, Upchurch, and Okumus 2007). CSR refers to a company's obligation and responsibility to exert a positive impact and minimize its negative impact on society (Pride and Ferrell 1997). It is defined as "the organization's status and activities with respect to its perceived societal

obligations" (Brown and Dacin 1997, p.68). Enderle and Tavis (1998) consider CSR as the policy and practice of a corporation's social involvement over and beyond its legal obligations for the benefit of the society at large. In addition, CSR is defined by McWilliams and Siegel (2001, p.117) as "actions that appear to further some social good, beyond the interests of the firm and that which is required by law."

Sheikh and Beise-Zee (2011) point out that a firm may communicate its CSR initiatives to the public by means of financial or non-financial support of a specific cause. Supporting a specific cause for promotional purposes or cause-related marketing is widely practiced in recent years (Barone, Norman, and Miyazaki 2007; Folse et al. 2010; Mekonnen, Harris, and Laing 2008; Nan and Heo 2007; Sing, Kristensen, and Villasenor 2009). Larson et al. (2008) define cause-related marketing as "any marketing activities in which company donations to a specified cause are based upon sales of specified goods or services." Cause-related marketing (CRM) can be considered as a strategic marketing tool which seeks to achieve corporate and social/charitable objectives (Gorton et al. 2013). It is a manifestation of CSR (Sheikh and Beise-Zee 2011) and may serve as a communications tool for increasing customer loyalty and building reputation (Bronn and Vrioni 2001). A number of companies like American Express (Charitable Fund), IKEA (Unicef), Gap (Project Red) have conducted cause-related marketing activities.

In general, consumers' attitudes toward CSR initiatives tend to be positive but may depend on the nature of the cause (Barone, Norman, and Miyazaki 2007; Ellen, Mohr, and Webb 2000), attitudes toward the company (Yoon, Gurhan-Canli, and Schwarz 2006), and perceived fit between the company/brand and cause (Barone, Norman, and Miyazaki 2007; Hoek and Gendall 2008; Lafferty 2007; Nan and Heo 2007; Samu and Wymer 2009). Consumers' support of the CSR initiatives or specific cause is also important (Sen and Bhattacharya 2001; Gorton et al. 2013). Undoubtedly, there are criticisms against the true purpose of a company's CSR initiatives and consumers may even have a lower perceived value for the company's products (Du, Bhattacharya, and Sen 2011; Lin and Chang 2012). As a matter of fact, extant research generally shows that engaging in CSR activities will bring

economic benefits to a business firm (e.g., Kang, Lee, and Huh 2010; Nan and Heo 2007; Sen and Bhattacharya 2001; Waller and Lanis 2009). Consumers tend to have higher purchase intentions toward a company's products or brands associated with CSR activities (Brown and Dacin 1997; Creyer and Ross 1997; Dean 2004; Sen and Bhattacharya 2001; Sen, Bhattacharya, and Korschun 2006). Therefore, positive association between corporate social performance and corporate financial performance has been found (Garay and Font 2012; McGuire, Sundgren, and Schneeweis 1988; Nicolau 2008; Stanwick and Stanwick 1998). According to Luo and Bhattacharya (2006), CSR initiatives have a positive impact on consumer satisfaction and therefore a company's market value. A company's CSR activities can mitigate consumers' negative brand evaluations in a product-harm crisis (Klein and Dawar 2004). Companies with higher (vs. lower) CSR associations are found to have a better reputation and organizational commitment from employees, and are more attractive as an employer (Backhuas, Stone, and Heiner 2002; Deery, Jago, and Stewart 2007). Albus and Ro (2017) have recently conducted a research regarding the effect of green practices in a service recovery situation, with the use of a company's green practices as CSR. Their results show that CSR and service recovery have a significant effect on consumer satisfaction, trust, word-of-mouth recommendations, and repeat patronage intentions in a casual-dining restaurant setting. They stress that the CSR halo effect plays an important role in consumers' service encounter outcomes and indicate that companies often use CSR to gain a competitive advantage by creating a favorable corporate image among consumers.

As highlighted by Du, Bhattacharya and Sen (2007), consumers' perceptions of CSR associations can be at the corporate level, the brand level, or both. However, this study mainly focuses on consumer reactions to CSR associations at the brand level. Based on the definition of corporate-level CSR by Brown and Dacin (1997, p.68), the brand-level CSR can be referred to consumer's perception of a [brand]'s status and activities with respect to its perceived societal obligations. In this research, the term "CSR brand" is used as a generic label for brands that are associated with CSR activities, whereas the term "non-CSR brand" refers to a brand without such association. As indicated by Polonsky and Jevons (2006), CSR can serve as a core brand

component and its associated activities can communicate brand characteristics. Consequently, appropriate CSR initiatives can enhance a brand's perceived image and its equity in the marketplace.

Why do consumers generally have a positive attitude toward CSR brands? According to brand management literature (Keller 1993), one of the main reasons is because the brand can provide favorable benefits to the consumers. Keller (1993) proposes three categories of benefits: functional benefits, experiential benefits, and symbolic benefits. Functional benefits are product-related attributes that offer intrinsic advantages to satisfy consumers' basic needs, such as physiological and safety needs (Maslow 1970). Experiential benefits are product-related attributes that satisfy consumers' experiential needs such as sensory pleasure, variety, and cognitive stimulation. Symbolic benefits refer to extrinsic advantages offered by product or service consumption. These benefits usually are non-product related attributes and relate to underlying needs for social approval and outer-directed self-esteem. For example, consumers may value the prestige and exclusivity benefits offered by a brand because they may consider these benefits would relate to their self-concept (Solomon 1983). Accordingly, CSR brands provide symbolic benefits to consumers because the brands can satisfy their underlying needs for social approval.

In fact, CSR associations are cognitive associations related to a company's commitment to its societal obligations (Brown and Dacin 1997). CSR associations influence consumers in forming positive evaluations of the company's products or services. Sen and Bhattacharya (2001) denote that the positive impact of CSR associations on consumers' brand evaluations is mediated by consumers' perceived congruence between their own characters and that of the company. As suggested by social identity theory (Tajfel and Turner 1985), people have a general tendency to identify with organizations that have favorable aspects so as to achieve self-enhancement purposes. Since CSR associations can enhance the reputation and image of a company (Brown and Dacin 1997), consumers are motivated to identify themselves with the company that engages in CSR activities as this would fulfill their needs to maintain a positive self-image. Therefore, they will form a positive evaluation

of the company's products or services.

Some researchers have started to investigate the moderating variables concerning consumers' evaluations and reactions toward CSR brands. For example, past research has shown that the impact of CSR on brand evaluation is contingent on consumers' personal support for the CSR issues and their general beliefs about CSR (Sen and Bhattacharya 2001). Other researchers have suggested that consumer attitudes toward a CSR brand are dependent on their involvement with a product category (Berens, Riel, and Bruggen 2005) as well as their brand consciousness and perceived fit between the brand nature and the social cause (Nan and Heo 2007). In addition, the impact of CSR on consumers' purchase intentions is dependent on consumer awareness of the CSR initiatives (Sen, Bhattacharya, and Korschun 2006).

Although prior research has identified different moderators that will influence the relationship between CSR brands and consumer reactions, relatively limited research has been conducted to examine how a consumer's personal value would influence his/her evaluations of CSR brands. Values are enduring beliefs which guide actions and judgments across specific situations, and personal values have long been recognized as important constructs that may drive various consumer behaviors (Rokeach 1979). This paper proposes a personal value construct (i.e., face concern) that may shed new light on the existing CSR literature.

Face Concern

The concept of face is one of the key constructs that influences social interactions universally. It is originated in Chinese culture and has received a considerable research attention in social psychology, sociology, and cross-cultural literature (e.g., Bond 1996; Brown and Levinson 1987; Goffman 1959; 1967). Prior literature has recognized the pervasive and powerful impacts of face on various aspects across Asian and Western societies, such as conflict management, negotiation, gift giving behaviors, etc. (e.g., Bond 1996; Joy 2001; Oetzel et al. 2001; Ting-Toomey 1985; Ting-Toomey and Kurogi 1998).

According to Goffman (1967, p.5), face refers to "the positive social value a person effectively claims for himself." It can be regarded as a "public property" and depends on others for its existence. Brown and Levinson (1987) also point out that the concept of face underlies the human need for social acceptance and people in general tend to use a series of strategies, namely facework, to enhance and maintain their face when presenting themselves in everyday life. Based on the studies of Brown and Levinson (1987) and Goffman (1967), Chan, Wan and Sin (2009) have further illustrated that face is a positive image of self that is affirmed through interaction with others. It can be regarded as the public, social, and dynamic aspect of the self-concept that is contingent on others' attitudes and behaviors. It can be enhanced, saved or lost through social interactions. Chan, Wan and Sin (2009, p.293) define face concern as "the extent to which an individual shows regard for or interest in the protection and enhancement of face."

Although prior research has recognized the pervasive impact of face concern on social interactions, limited research attention has been paid to examine the role of face concern on consumer behaviors (Bao, Zheng, and Su 2003; Li and Su 2007; Wong and Ahuvia 1998). Since Asians are more concerned with face than Westerners, some researchers have suggested that Asians are more likely to engage in conspicuous consumptions (i.e., buying luxury products/services) than Westerners (Park, Rabolt, and Kyung 2008; Wong and Ahuvia 1998). It is very likely due to the purchase of well-known brands and luxury products/services can enable consumers to maintain and enhance their face in front of other people in the community (Li and Su 2007). However, the impact of face concern may not be limited to conspicuous consumptions. Based on the fact that there should be a novel association between face concern and CSR brands consumption, this study attempts to investigate the role of face concern in consumers' evaluations and reactions toward CSR brands by measuring face concern as an individual difference variable.

The Influence of Face Concern on CSR Brands

Previous literature has denoted that the purchase of luxury brands can enhance one's social recognition and status, and therefore it contributes to face enhancement (Bao, Zheng, and Su 2003; Li and Su 2007; Wong and Ahuvia 1998). Consumers with a high (vs. low) face concern will have a positive attitude toward luxury brands. In line with the literature, choosing CSR brands may also contribute to face enhancement and so face concern may exert influences on consumer attitudes and evaluations toward CSR brands.

According to the CSR literature, consumers generally have a positive attitude toward CSR brands because CSR associations enhance the reputation and image of a company, and therefore increase consumers' liking of the company as well as its brands (Berens, van Rief, and van Bruggen 2005; Brown and Dacin 1997). More importantly, Sen and Bhattacharya (2001) indicate that people are motivated to identify themselves with good and reputed organizations in order to maintain their positive self-image. As identifying oneself with companies or brands associated with CSR activities fulfills this need for self-enhancement, we suggest that choosing CSR brands can also contribute to face enhancement. It is because the action of choosing CSR brands will be considered as a good ethical behavior with an enhancement of a person's reputation. Griskevicius, Tybur, and Van den Bergh (2010) support this argument and indicate that consumers have a tendency to choose green products over non-green products. It is because consuming green products can enable the consumers to obtain psychological benefits from signaling to others that they are pro-environmental and obtain pro-social reputations.

Owing to the positive relationship between face enhancement and purchase of CSR brands, face concern is expected to have an influence on consumers' perceived quality of CSR brands. More specifically, consumers with a high (vs. low) face concern would have a better evaluation of CSR brands due to their greater needs in obtaining positive image. In contrast, non-CSR brands do not involve the face-enhancing elements (i.e., elements that enhance one's social reputations) and so there should be no significant difference in the evaluation of non-CSR brands between consumers with a high face concern and those

with a low face concern. We therefore hypothesize that:

H1a: Face concern will have a positive influence on consumers' perceived quality of CSR brands.

H1b: Perception of CSR brands' quality is greater for consumers with a high face concern than those with a low face concern. Such group difference in perceived quality would be insignificant for non-CSR brands.

3.3 Study 1: Moderating Role of Face Concern in CSR Brand Evaluation

3.3.1 Participants and Design

To examine the impacts of face concern on consumer perceived quality, a 2 (brand type: CSR brand vs. non-CSR brand) × 2 (face concern: low face concern vs. high face concern) experimental design was used. Eighty-eight participants (43% male) were randomly approached in a shopping mall and invited to participate in a "consumer behavior study" in Hong Kong. The demographic information of the participants is summarized in Table 2. All participants received a small gift for their voluntary participation in the survey. They were randomly assigned to either a CSR brand or non-CSR brand condition (a control condition), and their face concern scores were measured with the scale adapted from Chan, Wan and Sin (2009).

3.3.2 Stimulus Development

To manipulate the CSR brand versus non-CSR brand conditions (i.e., the degree of CSR associations), two sets of print ads of a fictitious restaurant were made. The general layout was identical for the two ads. The only differences

between them were the brand name of the restaurant and the ad messages. Two fictitious names were created: "SilverGreens Restaurant" and "SilverTaste Restaurant". Pretesting (n = 38) showed that participants perceived no differences in the tastes of food by the restaurant names ($M_{SilverGreens}$ = 4.95 vs. $M_{SilverTastes}$ = 5.05; $F < 1$).

In the CSR brand condition, a print ad with "SilverGreens Restaurant" was made. Four pictures of the restaurant's food and environment were displayed with eco-friendly advertising messages. The messages included "An eco-friendly restaurant", "Energy savings and waste reduction", and "A quality restaurant serving fresh, home cooked food from local suppliers in a relaxed environment". In the non-CSR brand condition (a control condition), another print ad of "SilverTaste Restaurant" was made. Similarly, four pictures of the restaurant's food and environment were displayed. The messages in this print ad emphasized the fresh taste of the food and no messages were related to corporate social responsibility. The messages included "A fresh taste restaurant", "Fresh food and beverage", and "A quality restaurant serving fresh, home cooked food from local suppliers in a relaxed environment".

Another pretest (n = 25) was conducted to check the successfulness of the manipulation. The aim of the pretest was to ensure that the two ads showed a significant difference in perceived CSR associations (e.g., Do you think this brand behaves responsibly toward the environment? 1 = strongly disagree; 7 = strongly agree). As predicted, participants in the CSR brand condition perceived a higher CSR association than those in the non-CSR brand condition (5.67 vs. 3.77; t(23) = 6.86; $p < .001$). The manipulation of CSR brand vs. non-CSR brand was successful.

3.3.3 Procedure

Participants were first exposed to a printed ad depicting either SilverGreens Restaurant or SilverTaste Restaurant. Then, they were invited to respond to a series of questions, including participants' perceived quality measured by

three-item 7-point semantic differential scale (i.e., I think the overall quality of this brand is: very bad/ very good; poor/ excellent; unacceptable/acceptable [α = .83]) and the four-item 10-point face concern scale. Finally, after providing their demographic information (see Table 3.1), participants were thanked and debriefed.

Table 3.1

Demographic Information of the Participants (All Studies)

	Study 1	Study 2	Study 3
Sample Size	88	320	360
Gender			
Female	5.42	52.5%	51.7%
Male	4.67	47.5%	48.3%
Age			
Less than 20	12.5%	5%	3.3%
20-24	54.5%	11.6%	13.6%
25-29	22.8%	13.1%	13.1%
30-34	3.4%	13.0%	11.1%
35-39	6.8%	23.8%	26.9%
40-44	0%	22.2%	23.3%
45-49	0%	8.8%	7.2%
50 and above	0%	2.5%	1.5%
Educational Level			
Secondary school/college or below	20.5%	14.1%	15%
Diploma	26.1%	13.4%	14.2%
Undergraduate	46.6%	47.5%	47.2%
Postgraduate	6.8%	25%	23.6%

3.3.4 Results

A manipulation check similar to the pretest was conducted. The finding indicates that the manipulation of CSR brand vs. non-CSR brand was successful ($p < .001$). Median split was used to classify participants into high and low face concern groups. As the median of face concern ($\alpha = .94$) was 6.97, participants with a face concern provided a score higher (lower) than 6.97 were considered as the high (low) face concern group.

Perceived quality. A 2×2 ANOVA showed a main effect of face concern on perceived quality ($F(1, 84) = 7.47$, $p < .01$). Participants with high face concern reported a higher perception of service quality of CSR brands than those with low face concern (M = 4.93 vs. 4.53). This effect was qualified by an interaction of face concern and consumption setting on perceived quality ($F = 5.06$, $p < .05$). In the CSR brand condition, participants with high face concern gave a higher score on perceived quality than those with low face concern (5.21 vs. 4.32; $F(1, 84) = 26.32$, $p < .001$). However, in the non-CSR brand condition, there was no difference between high and low face concern groups (4.64 vs. 4.55; $F(1, 84) = 1.68$, $p > .10$). Therefore, H1a and H1b are supported. Table 3.2 and Figure 3.1 show the pattern of means (i.e., perceived quality) of the two face concern groups (high vs. low) across the two brand type conditions (CSR brand vs. non-CSR brand).

Table 3.2

Impact of Face Concern on Consumers' Perceived Quality (Study 1)

	CSR Brand		Non-CSR Brand	
	Mean	SD	Mean	SD
Perceived Quality				
High Face Concern	5.21	0.83	4.64	0.73
Low Face Concern	4.32	0.95	4.55	0.82

Figure 3.1

Impact of Face Concern on Consumers' Perceived Quality (CSR vs. Non-CSR Brand) for Study 1
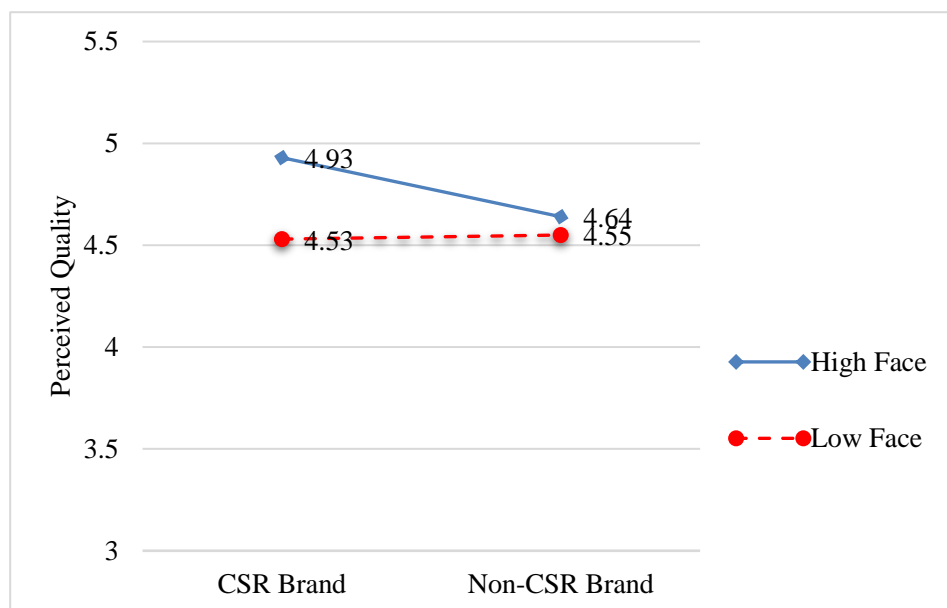
3.3.5 Discussion

Study 1 provides initial evidence that face concern has a favorable impact on consumer perceived quality of CSR brands. When compared to consumers with low face concern, consumers with high face concern perceive CSR brands with higher quality. This perception difference between the two face concern groups disappears in the condition of evaluating non-CSR brands, due to the fact that non-CSR brands do not facilitate face enhancement.

Prior service research has shown that when consumers have a favorable quality perception of a firm, they are more likely to have greater purchase intentions and propensity to recommend the firm's services to others (Zeithaml, Berry, and Parasuraman 1996). Since face concern facilitates a consumer to have a favorable quality perception about a CSR brand, it would also exert positive influence on the consumer's purchase intentions and word-of-mouth communications about the CSR brand.

Since face concern is regarded as a personal value that is claimed through social interaction, its influences may be contingent on the degree of the presence of others in society. A few more hypotheses are proposed to highlight the roles of face concern and social presence regarding consumption setting in affecting consumers' purchase intentions and word-of-mouth communications about CSR brands.

The Role of Social Presence

In service consumption, consumers may not necessarily consume the service alone. As indicated by the servuction model proposed by Langeard et al. (1981), service consumption involves four different interactive elements: consumer A (consumer who is at the center stage of a transaction or service encounter), contact personnel, inanimate environment, and consumer B (consumer who is in the same service circumstance). In other words, it is common to have other consumers to be present in the same service circumstance. This situation is particularly true for the tourism industry as the

presence of other tourists is an integrated part of tourist experience. Therefore, service consumption can be broadly classified as a private consumption or a public consumption. The former refers to a situation that the consumer consumes the service alone, whereas the latter refers to a situation that the consumer consumes the service together with other consumers or there are other consumers in the same service circumstance.

As face concern is the positive social value a person effectively claims for himself, people would care more about face in public than in private situations (Goffman 1967). Chan, Wan and Sin (2009) indicate that the impact of face concern on consumer dissatisfaction with service failures is stronger when consumers perceive that other consumers are nearby than when they perceive that they are alone. It is because consumers have a stronger feeling of face threat in the former than in the latter situation. Face concern will become more salient in the presence of other consumers in the same service circumstance. Griskevicius, Tybur, and Van den Bergh (2010) denote that the presence of other consumers will uplift a consumer's social status motive (i.e., a motive similar to gaining face in interacting with others) and therefore the consumer will be more likely to purchase green products in a public setting than in a private setting.

Note that prior service research has shown that perceived service quality is one of the important antecedents of consumer's behavioral intentions, such as purchase intentions and positive word-of-mouth communications (Parasuraman, Zeithaml, and Berry 1994; Zeithaml, Berry, and Parasuraman 1996). When consumers have a favorable quality perception of a firm, they would have greater purchase intentions and propensity to recommend the firm's services to others. As demonstrated in Study 1, face concern has a positive impact on consumers' perceived service quality of CSR brands. Face concern would exert a positive effect on consumers' intentions to purchase as well as to spread positive word-of-mouth about CSR brands. This effect would be stronger in public than in private consumption because people in general care more about their faces in public than in private situations.

Therefore, we hypothesize:

H2a: Consumers with a high face concern will have greater purchase intentions toward CSR brands than those with a low face concern.

H2b: The positive effect of face concern on consumers' purchase intentions toward CSR brands will be more pronounced in public consumption than in private consumption.

H3a: Consumers with a high face concern will have greater intentions to spread positive word-of-mouth about CSR brands than those with a low face concern.

H3b: The positive effect of face concern on consumers' intentions to spread positive word-of-mouth about CSR brands will be more pronounced in public consumption than in private consumption.

In order to examine the above hypotheses which capture the impact of face concern and consumption setting on consumers' purchase intentions and propensity to spread positive word-of-mouth, two additional studies (Studies 2 and 3) were conducted in this research.

3.4 Study 2: Effect of Consumption Setting and Face Concern

3.4.1 Participants and Design

To investigate the effect of consumption setting (public vs. private) and face concern on consumer responses, an experimental design with the use of a

marketing research firm's online survey system was conducted. Three hundred and twenty participants (52.5% male) were invited to participate in an online "consumer behavior study" in Hong Kong. They received a small gift for their voluntary participation in the survey. Their demographic information can be found in Table 3.1 as well. A 2 (consumption setting: private vs. public) × 2 (face concern: low face concern vs. high face concern) experimental design was used. Participants were randomly assigned to either a private consumption or public consumption condition.

3.4.2 Procedure

This study focused on consumer responses toward CSR brands and only the print ad with a fictitious brand of "SilverGreens Restaurant" was used. To manipulate the private consumption or public consumption setting, two sets of scenarios were made. In the private consumption setting, participants were asked to imagine that they planned to go to have a dinner alone, whereas in the public consumption, participants were asked to imagine that they planned to go to have a dinner with friends. Pretesting (n = 60) indicated that participants in the public consumption condition perceived a higher degree of the presence of other consumers in the same service setting than those in the private consumption condition (5.17 vs. 2.03; $t(58) = 15.59$; p < .001). The manipulation of private vs. public consumption was successful.

After reading the scenarios, participants were invited to read the print ad about "SilverGreens Restaurant" and respond to questions related to their purchase intentions and propensity to spread word-of-mouth (WOM). Purchase intention was measured by three 7-point Likert-type items (e.g., I will reserve a table at this restaurant; 1 = strongly disagree; 7 = strongly agree; α = .86), and positive word-of-mouth was assessed by three 7-point Likert-type items (e.g., I will say positive things about this restaurant; 1 = strongly disagree; 7 = strongly agree; α = .89). Then, participants completed a face concern scale (α = .93) that was identical to previous study. All the scale items used in this study appear in the Appendix. Finally, after providing their demographic information, participants were thanked and debriefed.

3.4.3 Results

When considering the impact of face concern and consumption setting on consumer responses, we predicted an interaction effect between face concern and consumption setting on consumers' purchase intentions and positive word-of-mouth communication. A manipulation check regarding the two different consumption settings was conducted as the pretest above. The finding indicates that the manipulation of private vs. public consumption was successful ($p < .001$). We classified high and low face concern groups based on a median-split procedure. As the median of face concern was 6.50, participants with a face concern score higher (lower) than 6.50 were considered as the high (low) face concern group.

Purchase intention. As predicted, a 2×2 ANOVA showed that participants with a high face concern had higher purchase intentions toward CSR brands than those with a low face concern (M = 5.80 vs. 4.93, respectively; $F(1, 316) = 163.84$, $p < .001$). This effect was qualified by an interaction of face concern and consumption setting ($F(1, 316) = 6.61$, $p < .05$). The mean difference between high face concern group and low face concern group regarding purchase intentions was more pronounced in the public consumption (M = 6.03 vs. 4.98, respectively; $F(1, 316) = 119.19$, $p < .001$) than in the private consumption situation (M = 5.58 vs. 4.89, respectively; $F(1, 316) = 51.47$, $p < .001$). Therefore, H2a and H2b are supported.

Positive word-of-mouth. A 2×2 ANOVA also showed that participants with a high face concern had a higher intention to spread positive word-of-mouth about CSR brands than those with a low face concern (M = 5.54 vs. 4.78, respectively; $F(1, 316) = 87.91$, $p < .001$). This effect was qualified by an interaction of face concern and consumption setting ($F(1, 316) = 4.77$, $p < .05$). The positive impact of face concern on word-of-mouth intention was more pronounced in the public consumption (M = 5.83 vs. 4.89, respectively; $F(1, 316) = 67.19$, $p < .001$) than in the private consumption (M = 5.25 vs. 4.67, respectively; $F(1, 316) = 25.58$, $p < .001$). Therefore, H3a and H3b are

supported. Table 3.3 and Figure 3.2 show the pattern of means of the two face concern groups (high vs. low) across the two consumption settings (private vs. public).

Table 3.3

Impact of Face Concern and Consumption Type on Consumer Responses Toward CSR Brands (Study 2)

	Private Consumption		Public Consumption	
	Mean	SD	Mean	SD
Purchase Intention				
High Face Concern	5.58	0.39	6.03	0.61
Low Face Concern	4.89	0.79	4.98	0.58
Positive WOM				
High Face Concern	5.25	0.60	5.83	0.65
Low Face Concern	4.67	0.94	4.89	0.67

Figure 3.2

Impact of Face Concern and Consumption Type on Consumer Responses Toward CSR Brands for Study 2

(a)
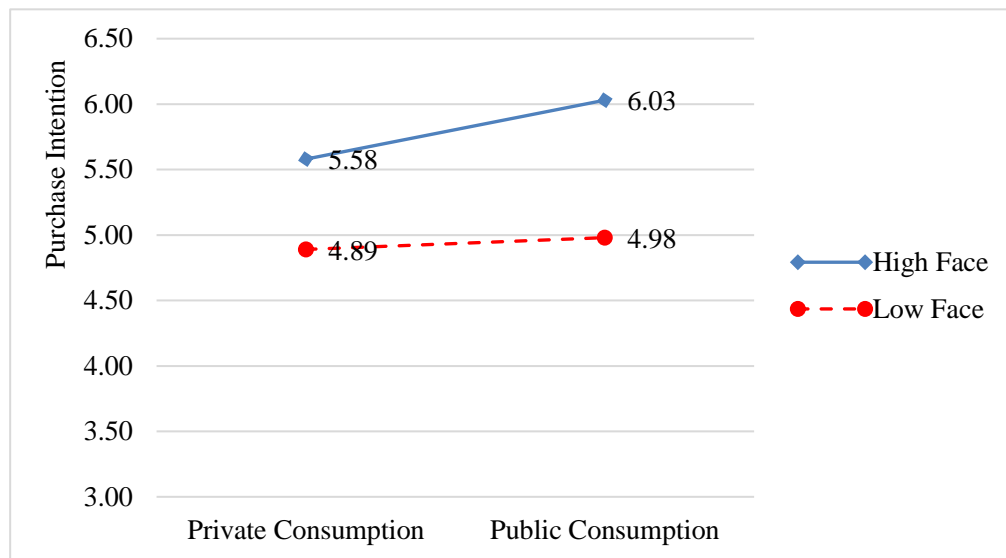
(b)
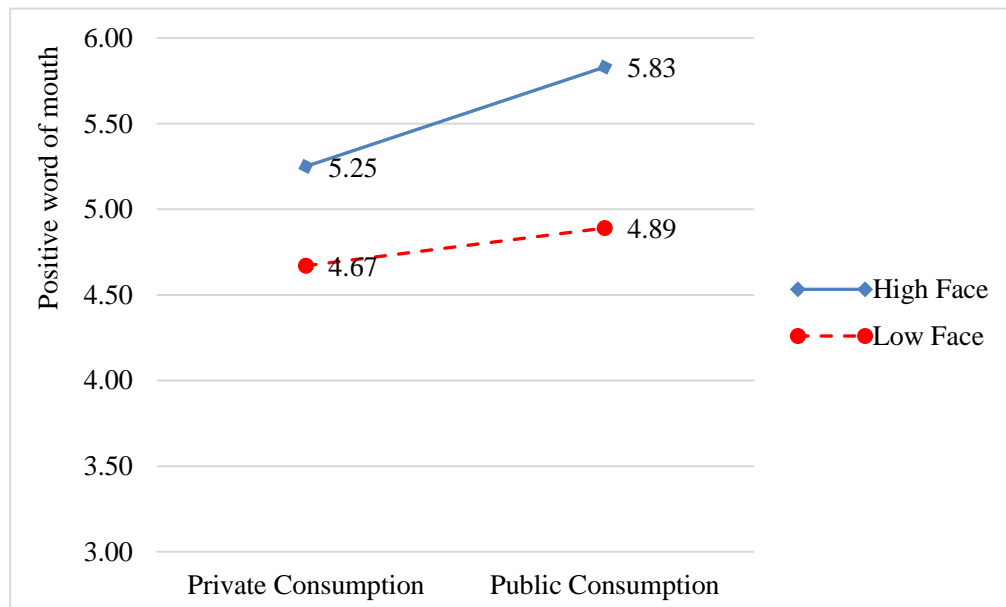
3.4.4 Discussion

The results of Study 2 demonstrate that face concern has a positive impact on consumers' intention to purchase as well as to spread positive word-of-mouth on CSR brands. More importantly, this positive impact of face concern is more pronounced in public than in private consumption.

Although we used environmental attributes to operationalize CSR brands in studies 1 and 2, CSR might encompass a range of activities beyond environmental practices such as community services. In order to enhance the reliability and generalizability of the above findings, there is a need to perform an additional study to replicate Study 2 by using another type of CSR activity (such as community service, instead of the eco-friendly or green attribute). Study 3 was conducted with the use of hotel services as a new context for examining the impact of face concern on those consumer responses.

3.5 Study 3: Online Experiment on the Effect of Consumption Setting and Face Concern

3.5.1 Participants and Design

Similar to Study 2, an experiment with the use of a marketing research firm's online survey system was performed so as to investigate the effect of consumption setting (public vs. private) and face concern on consumer responses. Three hundred and sixty participants (48.3% male) were invited to participate in an online "consumer behavior study" in Hong Kong. They received a small gift for their voluntary participation in the survey. A 2 (consumption setting: private vs. public) × 2 (face concern: low vs. high) experimental design was used. We used community service as the manipulation of CSR association in this study.

3.5.2 Procedure

A print ad with a fictitious brand of "Star Night Hotel" was created. Several pictures of the hotel environment were displayed with community caring advertising messages. The messages included "Star Night Hotel is committed to being a responsible and caring community partner", "We are committed to addressing poverty", and "Each year we make and donate thousands of fleece blankets to children and families who are in need".

To manipulate the private consumption or public consumption setting, two sets of scenarios were made. In the private consumption setting, participants were asked to imagine that they planned to go to a leisure trip alone. In the public consumption setting, participants were asked to imagine that they planned to go to a leisure trip with friends. Pretesting (n = 52) indicated that participants in the public consumption condition perceived a higher degree of the presence of other consumers in the same service setting than those in the private consumption condition (5.31 vs. 2.12; $t(50) = 11.49$; p < .001). The manipulation of private vs. public consumption was successful.

After reading the scenarios, participants were invited to read the print ad about "Star Night Hotel" and to indicate their likelihood to go to the hotel and their intentions to spread positive word-of-mouth to others. Purchase intention was measured by three 7-point Likert-type items (e.g., "I am willing to stay at this hotel"; 1 = strongly disagree; 7 = strongly agree; α = .82), and positive word-of-mouth was assessed by three 7-point Likert-type items (e.g., I will say positive things about this hotel; 1 = strongly disagree; 7 = strongly agree; α = .88). Then, participants completed a face concern scale that was identical to previous studies. All the scale items used in this study can be found in Appendix. Finally, after providing their demographic information, participants were thanked and debriefed.

3.5.3 Results

A manipulation check regarding the two different consumption settings was

conducted as the pretest above. The finding indicates that the manipulation of private vs. public consumption was successful (p < .001). We classified high and low face concern groups based on a median-split procedure. As the median of face concern ($\alpha = .93$) was 6.25, participants with a face concern score higher (lower) than 6.25 were considered as the high (low) face concern group. Participants' reactions to the CSR brands are shown in Table 3.4 as a function of face concern and consumption setting.

Purchase intention. A 2 × 2 ANOVA showed that participants with a high face concern had higher purchase intentions toward CSR brands than those with a low face concern (M = 5.34 vs. 4.43, respectively; $F(1, 356) = 146.01$, p < .001). This effect was qualified by an interaction of face concern and consumption setting ($F(1, 356) = 17.73$, p < .001). The positive impact of face concern on purchase intention was more pronounced in the public consumption (M = 5.64 vs. 4.40, respectively; $F(1, 356) = 132.30$, p < .001) than in the private consumption (M = 5.06 vs. 4.46, respectively; $F(1, 356) = 30.98$, p < .001). Therefore, H2a and H2b are supported.

Positive word-of-mouth. As predicted, a 2 × 2 ANOVA also showed that participants with a high face concern had higher intentions to spread positive word-of-mouth about CSR brands than those with a low face concern (M = 5.14 vs. 4.29, respectively; $F(1, 356) = 100.63$, p < .001). This effect was qualified by an interaction of face concern and consumption setting ($F(1, 356) = 8.21$, p < .01). The positive impact of face concern on word-of-mouth intention was more pronounced in the public consumption (M = 5.46 vs. 4.36, respectively; $F(1, 356) = 83.26$, p < .001) than in the private consumption (M = 4.83 vs. 4.21, respectively; $F(1, 356) = 25.60$, p < .001). Therefore, H3a and H3b are supported. Table 3.4 and Figure 3.3 show the pattern of means of the two face concern groups (high vs. low) across the two consumption settings (private vs. public).

Table 3.4

Impact of Face Concern and Consumption Type on Consumer Responses to CSR Brands (Study 3)

	Private		Public	
	Mean	SD	Mean	SD
Purchase Intention				
High Face Concern	5.06	0.43	5.64	0.79
Low Face Concern	4.46	0.88	4.40	0.71
Positive WOM				
High Face Concern	4.83	0.90	5.46	0.82
Low Face Concern	4.21	0.71	4.36	0.79

Figure 3.3

Impact of Face Concern and Consumption Type on Consumer Responses Toward CSR Brands for Study 3

(a)

(b)
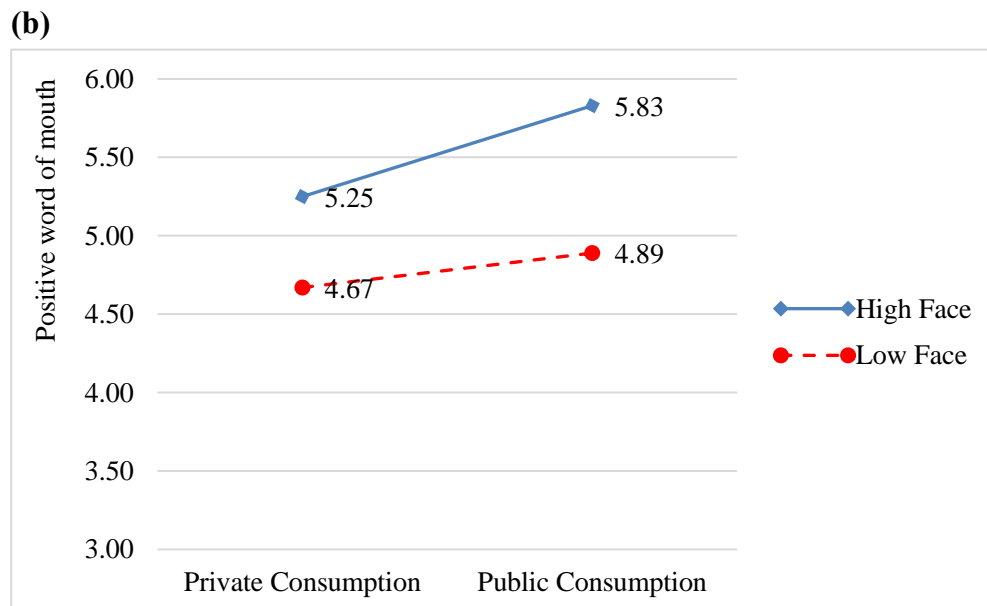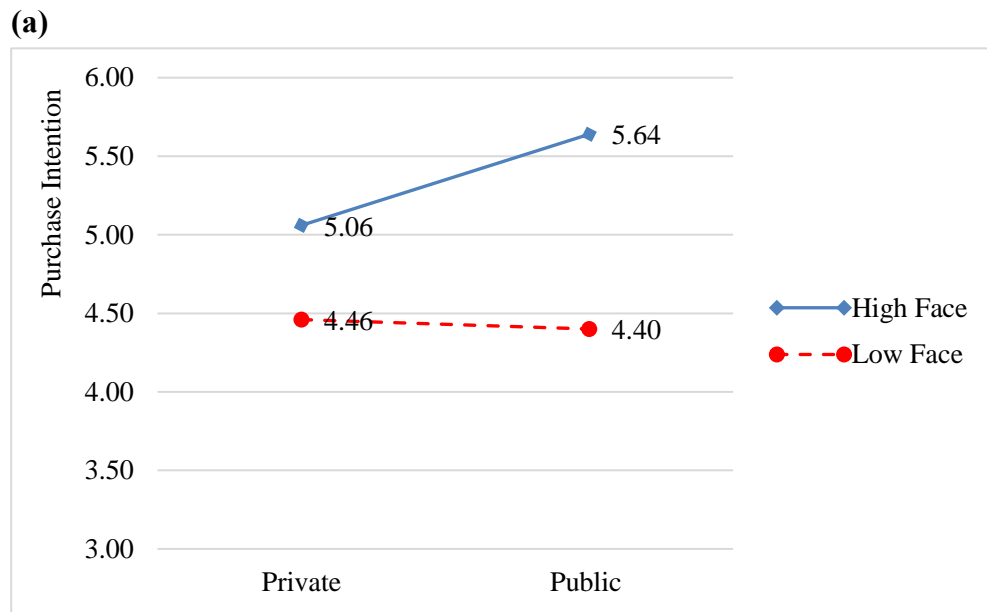
3.6 General Discussion and Conclusion

As demonstrated in this research, face concern has a favorable impact on consumer reactions toward CSR brands. Study 1 demonstrates that consumers with high (vs. low) face concern perceive a higher quality for CSR brands. However, there is no significant group difference in perceived quality for non-CSR brands. Studies 2 and 3 further indicate that face concern exerts positive impact not only on consumers' perceived quality, but also on consumers' purchase intentions and propensity to spread positive word-of-mouth about CSR brands. More especially, the positive effect of face concern on consumers' reactions toward CSR brands is more salient in public than in private consumption.

Theoretical Implications

This research contributes to the literature in several aspects. Although there is a growing concern for the issues of CSR across various industries (e.g., Inoue and Lee 2011; Kang, Lee, and Huh 2010; Lee and Park 2009; Nicolau 2008), relatively limited research has been conducted to examine how a consumer's personal value would affect an individual's responses toward brands associated with CSR. This current research takes a first step toward addressing this gap and extends our understanding of how tourists perceive and respond to CSR brands in the hospitality setting.

This research also sheds a new light on the CSR literature by proposing a framework that incorporates a personal value (i.e., face concern) into the model of consumer reactions to CSR brands. Notably, previous CSR research has identified various factors which influence consumer evaluations and reactions toward CSR brands (e.g., Berens, van Rief, and van Bruggen 2005; Nan and Heo 2007; Sen and Bhattacharya 2001). These factors include consumers' personal support for the CSR issues, consumers' general beliefs about CSR activities, consumer involvement in a product category, and consumer awareness of the CSR initiatives, and so on. Despite the fact that personal value has long been recognized as a key variable that shapes consumer behaviors,

little has been done to examine how consumer personal value will influence their evaluations and reactions toward CSR brands. This research provides a starting point for applying the value construct (i.e., face concern) into the hospitality context and demonstrates that consumers with high (vs. low) face concern give better evaluations and have favorable reactions to CSR brands (i.e., higher purchase intentions and propensity to spread positive word-of-mouth).

In addition, this research contributes to the line of research on face concern. Although prior research has recognized the pervasive impact of face concern on social interactions (Goffman 1959; 1967), remarkably little research attention has been paid to examine the role of face concern in consumer behaviors in the tourism and hospitality industries. Since there is a well-established association between face enhancement/maintenance and luxury brands consumption, a number of studies has investigated the impact of face concern on conspicuous consumptions (Bao, Zheng, and Su 2003; Li and Su 2007; Wong and Ahuvia 1998). This research advocates a novel association between face concern and CSR brands, and discovers that purchasing CSR brands and spreading positive word-of-mouth also contributes to face enhancement of a consumer. This finding adds a new insight to the application of face concern literature in the domain of consumer behavior within hospitality and tourism industries.

Managerial Implications

CSR activities nowadays have become one of the key corporate strategy focuses and many leading companies have spent a lot of money on CSR activities. Investing in CSR programs and establishing CSR brands are known to facilitate corporate brand building strategies. However, managing CSR programs can be costly if corporations do not plan their resources strategically to maximize the benefits of the programs. This research provides critical managerial implications to hospitality service managers on how to allocate resources efficiently in managing CSR programs in several aspects.

First, hospitality service managers need to identify what types of consumers would have a higher preference for choosing CSR brands. An understanding of consumer preferences enables hospitality or service firms to specialize their resources in tailoring their brand management strategies to the target consumers. While the traditional view suggests that CSR brands will be attractive to those socially conscious consumers (e.g., eco-friendly consumers), this research provides a new insight that CSR brands will also be more attractive to consumers with high (vs. low) face concern. Therefore, hospitality service managers can use face concern as a segmentation variable in developing CSR branding strategies to maximize the benefits of CSR programs. For example, socioeconomic status is a demographic characteristic that is known to correlate with face concern. The managers may consider putting more emphasis on resources which will promote their CSR programs to those consumers with a high (vs. low) income level or social status (i.e., high face concern group).

In addition, prior research has found people in Asian societies would put greater emphasis on face or social image than those in Western societies (Hui and Triandis 1986; Ting-Toomey and Kurogi 1998). In other words, Asian consumers are in general more sensitive to face elements than Western tourists and so the impact of face concern on consumer preference for CSR brands should be greater for them. Owing to this cultural difference, hospitality service managers may allocate more resources to promote CSR brands in Asian markets. One possible strategy is to highlight the face enhancement aspect of CSR brands in advertisements (e.g., purchasing CSR brands is a good act to help the society). This approach may attract Asian consumers to choose CSR brands because they value the opportunity to gain face in front of others. For example, hospitality service managers may consider adopting face enhancement messages in the advertisements (e.g., Eco-consumption will make you look good in front of others! Try our eco-friendly restaurant service!) to promote their CSR brands in Asian markets.

Notably, our research findings suggest that the positive impact of face concern on consumers' purchase intentions toward CSR brands is more salient in public than in private consumption. It is because consumers with high face

concern want to convey to others that they like to choose CSR brands. Such action has a face-enhancing function by signifying a good act to the society. In other words, if the action of consuming CSR brands is made to be observable to other consumers in the service settings, it will enhance the attractiveness of the CSR brands to consumers with high face concern. One possible strategy is that hospitality service managers may strengthen the physical evidence of CSR brands during service encounters. For example, in restaurants, stickers that heighten CSR associations (e.g., Green Brand Guarantee) may be put on waiters' uniforms, food menus, table stands, and so on. This strategy enables consumers with high face concern to convey to other consumers in the same service setting that they choose a CSR brand.

Limitations and Future Research

This research has a limitation of only examining the individual difference of face concern on consumer reactions to CSR brands. Despite the fact that face concern is a universal concept, cross-cultural research has reckoned that people in Asian societies appreciate face concern more than those in Western societies (Bond 1996; Hui and Triandis 1986; Ting-Toomey and Kurogi 1998). Asian societies and Western societies are characterized by the cultural dimension of collectivism (i.e., focus on interdependence) and individualism (i.e., focus on independence) respectively. Owing to the fact that face is one of the critical social resources in maintaining social relationships, Asians who focus on interdependence will be more concerned about face than Westerners. Therefore, it is conceivable that the positive impact of face concern on consumer preferences for CSR brands would be more salient for Asian consumers than Western consumers. Future research can examine this cross-cultural argument empirically to obtain further implications.

4. Essay III: The Impact of Unethical Online Review Invitation on Consumer Responses: The Role of Shopping Experience and Altruism

Abstract

Consumers nowadays are always influenced by online reviews in making purchase decisions. Many sellers and advertising agencies provide incentives for getting favorable consumer reviews. This study examines the effects of unethical online review invitation on consumers' positively biased review intentions and their trust in the sellers and e-retailer review system. The moderating roles of shopping experience and altruism are examined as well. Study 1 demonstrated the main effect of rewarded invitation on biased review intention, and the interaction effect between shopping experience and rewarded invitation. Study 2 revealed the interaction effects among altruism, shopping experience and rewarded invitation on biased review intention and consumer trusts. Managerial implications about communication strategies are discussed.

Keywords: Online reviews, shopping experience, altruism, consumer trust, e-retailer

4.1 Introduction

With the rapid development of electronic retailing, consumers frequently encounter varieties of online products and services. They seek and consider online reviews from other consumers in order to learn and evaluate various alternatives (Mudambi and Schuff 2010). Online reviews, also known as electronic word-of-mouth (eWOM), have become an important source of information for consumers' purchasing decisions (Cheng and Ho 2015; Zhu and Zhang 2010), especially in new product adoption situations (Kawakami and Parry 2013). According to Nielsen (2013), as many as 70% of consumers are inclined to trust online product reviews. From this perspective, many studies have demonstrated that online reviews by other customers have a significant impact on product sales (Floyd et al. 2014). Numerous online retailers have made great efforts to encourage consumers to write positive reviews of their products or services. Amazon.com has indeed begun using this strategy since 1995. Surprisingly, a New York Times report titled "For $2 a star, an online retailer gets 5-star reviews" revealed that some Amazon retailers have offered refunds to consumers who agree to post positive online reviews which may be biased (Streitfeld 2012). This practice undoubtedly indicates the emerging of unethical marketing communications strategy (Forrester Research 2000; Cisco Internet Business Solutions Group 2013).

When consumers receive a product from an online seller, it is not uncommon for them to receive an invitation for providing a review. The request may simply ask for providing genuine reviews with a little incentive. In emerging markets like China which has less stringent social values from the Western societies, firms or advertising agencies are likely to pay money for the best rating scores as a popular marketing communication strategy. Online sellers in Taobao.com (the largest online trading platform in Asia, operated in China by Alibaba Group) always send the products together with "review invitation cards" to the buyers and ask for a "5-star rating review" with money incentive. Through the search of "Taobao.com" on Internet, we have found that the number of product items showing positive consumer reviews reached 105,699 but the number of deals only reached 34,192. Behind such a large discrepancy,

how many invitations have led to biased or fake online reviews? The answer to this crucial question may depend on the behavioral reactions of buyers who received such invitation cards. Under what circumstances would the consumers be likely to provide a biased or fake review? How does the online review invitations ultimately influence the consumers' evaluation of the sellers and other e-retailers? These questions have indeed not been thoroughly addressed in the existing literature. In this study, biased reviews refer to partial judgement and untrue comments provided by consumers, and may include fake reviews.

Specifically, the major research objective is to examine the effect of an unethical online review invitation on consumers' biased review intentions and their trust in the seller and e-retailer review system. This study also investigates the moderating roles of shopping experience and altruism. Biased review intention is expected to be affected by the satisfaction level of shopping experience and monetary reward. However, altruism is likely to influence the moderating role of shopping experience. An unethical review invitation with monetary reward may attenuate consumers' trust in the sellers' rating reports. A spillover effect may occur as distrust in the seller may generalize to the entire online review system.

4.2 Conceptual Background and Hypotheses

Online Reviews

Many studies have demonstrated that word-of-mouth communication is positively related to consumers' satisfaction level with a shopping experience (De Matos and Rossi 2008). People like to share their experiences with individuals, particularly those whom they know and trust, such as family members and friends (Gupta and Harris 2010). However, why would consumers exert enthusiastic effort in posting online reviews? Previous studies show that motivations for online review intention may include altruism (Hennig-Thurau et al. 2004; Cheung and Lee 2012; Tong et al. 2013; Teichmann et al. 2015), expression of positive or negative emotions (Hennig-

Thurau et al. 2004; Tong et al. 2013), social interaction (Abrantes et al. 2013), self-presentation and self-enhancement (Cheung and Lee 2012; Teichmann et al. 2015; Tong et al. 2013), knowledge self-efficacy (Cheung and Lee 2012), post-purchase advice-seeking (Hennig-Thurau et al. 2004), enjoyment (Teichmann et al. 2015) and economic rewards (Tong et al. 2013; Li and Xiao 2014). In the study of online rating system, Lafky (2014) found that consumers are motivated to provide ratings by the desire to punish or reward sellers, and to inform future buyers. The research focused solely on numerical ratings, but textual reviews were not included. In fact, in the context of an e-retailer's feedback system, especially a customer-to-customer (C2C) platform such as Taobao.com, consumers who have completed a purchase have the right to provide both numerical ratings and textual reviews. Most of the buyer reviews are provided by anonymous consumers and there are no consumer interactions in the review platform. Based on the above literature, there are three major consumer motivations for providing post-purchase biased review on e-retailer websites: to punish or reward sellers, to express emotion, and to be altruistic (i.e., to help other consumers by providing useful reviews).

Effects of Shopping Experience and Reward Amount

Consumers' motivations for engaging in WOM may differ and depend on the nature of their shopping experiences (Sundaram, Mitra, and Webster 1998). According to equity theory, consumers like to have equitable and fair exchanges (Bagozzi 1974, 1975, 1986; Oliver and Swan 1989). If consumers perceive a higher output/input ratio than the company does, they may want to help the company succeed (Sundaram, Mitra, and Webster 1998). In the online shopping context, consumers may seek to help the seller by recommending their purchased products or services through the Internet. Thus, the output/input ratio may be equalized (Hennig-Thurau et al. 2004). According to Dichter (1966), a positive shopping experience may generate psychological tension within a consumer's mind and the consumer may solve this tension by telling others about such experience. When consumers have a satisfactory online shopping experience (i.e., when the perceived value of the product purchased is greater than the consumers' expectations), they would have an

eagerness to provide the seller a positive review. Such biased review intention to provide a very high rating with positive comments would happen even without the invitation from the seller. Therefore, the effect of online review invitation with or without reward on the satisfied consumers' biased review intention may not be salience, as the biased review intention is already at a high level.

In contrast, dissatisfied consumers may respond differently because they can return the products or request a replacement based on the liberal return policies in the online industry nowadays (Ketzenberg and Zuidwijk 2009). Researchers have found that consumers' dissatisfaction with the product significantly increases their product return intentions (Jiang and Rosenbloom 2005), but a return fee may be an additional cost for the consumers to bear under the policy commonly used by e-retailers (e.g., Amazon.com). This policy is known as an equity-based return shipping policy (Bower and Maxham 2012). Thus, consumers typically set a baseline level for returning products according to their dissatisfaction level (Oliver 1997).

Dissatisfied consumers generally tend to provide a negative online review. In other words, if consumers perceive a low output/input ratio related to a seller's products, they may seek retribution by damaging the seller's reputation with a negative rating (Lafky 2014) and may share their experiences with others in a form of negative review (Sundaram, Mitra, and Webster 1998). Venting negative feelings may reduce the frustration and anxiety associated with negative experiences (Sundaram, Mitra, and Webster 1998). Providing a negative review may indeed help consumers regain their sense of emotional balance. Consumers may sometimes encounter a dilemma and consider whether they should receive some money back or punish the seller by posting a negative review, particularly as they are only slightly dissatisfied. If the consumers accept the invitation and unethically provide positively biased reviews that do not obviously reflect their actual product experiences, they may perceive the reward as a compensation. Such kind of compensation can help improve the consumers' output/input ratio and encourage a more favorable perception of equity in the transaction (Oliver and DeSarbo 1988). In fact, consumers are known to be receptive to various compensatory measures, such

as refunds and coupons (Smart and Martin 1992). Their biased review intention is likely to be higher when there is a reward incentive than without. Therefore, we hypothesize that:

H1: **Consumers' biased review intention is higher for an online review invitation with monetary reward than without.**

As discussed above, consumers' positive review intention is influenced by their shopping experience regardless of whether they have received an online review invitation. Positive review intentions will be weaker when the consumers are dissatisfied (vs. satisfied) with the shopping experience. However, a monetary reward can enhance the motivation of dissatisfied consumers to provide biased review intentions.

H2: **The relationship between online review invitation and biased review intention is moderated by consumers' shopping experience. Dissatisfied shopping experience will lead to a lower review intention, which is more prominent when there is no monetary reward.**

4.3 Study 1: Unethical Online Review Invitation and Shopping Experience

In order to explore whether monetary rewards offered by sellers or advertising agencies can motivate consumers to provide biased positive online reviews especially in the condition of a dissatisfied shopping experience, we conducted an experiment with a 2 (online review invitation: rewarded vs. non-rewarded) × 2 (shopping experience: satisfied vs. dissatisfied) between-subjects design. For rewarded condition, a monetary incentive was provided while there was no incentive for non-rewarded condition. Median split was used to differentiate satisfied shopping experience from dissatisfied shopping

experience, based on the reported scores of participants' satisfaction level toward their online shopping experiences. A pretest of 20 samples was conducted to examine the questionnaire used for the actual experiment.

4.3.1 Procedures and Measures

126 university students (48 males and 78 females) in a major city of China were recruited to participate in the experiment. The participants were randomly assigned to the experimental conditions (rewarded vs. non-rewarded review invitation). They were required to complete a questionnaire survey. In the questionnaire, the participants were asked to recall the most memorable online shopping experience for an ordinary product in the last year. The experience recalled might be a satisfied or dissatisfied one. The participants were requested to write down the shopping experience event in at least 50 words and then rate their satisfaction level about such shopping experience. The participants in the rewarded condition were asked to image that the seller would now like to give them a reasonable monetary reward if they could give a 5-star rating together with more than 10 words of positive review about the product transaction. For non-rewarded or control condition, there was no incentive provided in the review invitation. The participants were then asked for their levels of intention to give a positive online review. The participants were finally thanked and debriefed.

Positive review intention was measured by one simple item like "What is your intention to give the seller a 5-star rating plus some words of positive review?" on a 5-points scale (1 = definitely no; 5 = definitely yes). Demographics were measured as well.

4.3.2 Results

Table 4.1 shows the means and standard deviations of the major

measurements. For satisfied shopping experience, the mean scores of positively biased review intention showed that there was no significant difference between rewarded condition (M = 4.65) and non-rewarded condition (M = 4.82; t = -1.715, p > 0.05). For dissatisfied shopping experience, the biased review intentions were significantly higher for rewarded condition (M=3.36) when compared with the non-rewarded or control condition (M=1.25; t = 12.77, p < 0.001). Consumers may provide biased review even though they are not satisfied with the shopping experience if there is a monetary incentive. The results show that consumer's positively biased review intention is higher for an online review invitation with monetary reward (than without) when they are dissatisfied with the shopping experience, but not when they are satisfied. Therefore, H1 is supported mainly under dissatisfied condition. The online review invitation asking for a 5-star rating score might be considered as unethical, particularly for a dissatisfied product. However, respondents' intentions to provide biased reviews are motivated by monetary incentive.

Table 4.1

Cell Means and Standard Deviations (Study 1)

Shopping experience	Reward or not	Positively biased review intention
Satisfied	Reward	4.65 (0.48)
	No reward	4.82 (0.39)
Dissatisfied	Reward	3.36 (0.73)
	No reward	1.25 (0.44)

Note: standard deviations are in brackets.

As shown in Table 4.2, the ANOVA results indicated that there was a statistically significant interaction between shopping experience (satisfied vs dissatisfied) and rewarded/non-rewarded review invitation condition ($F(1, 122) = 146.04$, $p < 0.001$) for consumers' positively biased review intention. Figure 4.1 shows the significant interaction effect and indicates that biased review intention was much lower for dissatisfied consumers receiving online review invitation without any monetary reward. Thus, H2 is supported.

Table 4.2
Results of ANOVA (Study 1)

Effects	Positively biased review intention	
	DF	F
Shopping experience (A)	1	664.92***
Reward or not (B)	1	104.98***
A × B	1	146.04***

***Significant at $p < .001$

Figure 4.1

**Interaction Effect of Online Review Invitation and Shopping
Experience on Biased Review Intention**
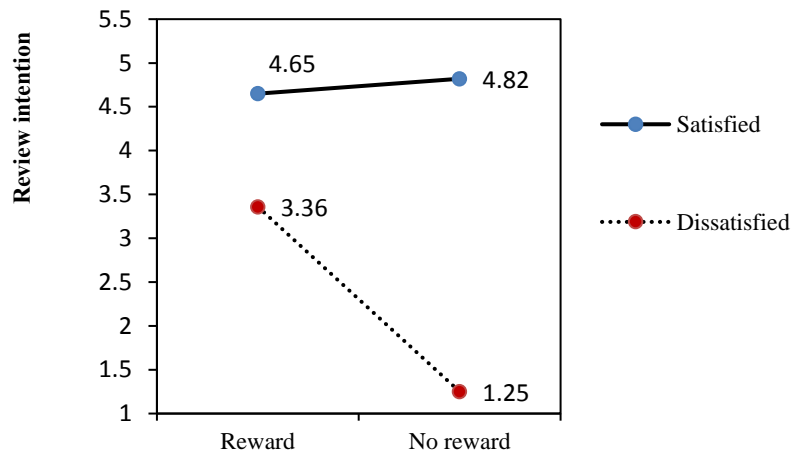
4.3.3 Summary

In general, the results of our first study support our hypotheses concerning the main effect of rewarded online review invitation and the moderating role of shopping experience in consumers' biased review intention. Specifically, we found that the relationship between online review invitation and biased review intention was moderated by consumers' shopping experience. Positively biased review intention was higher for an online review invitation with monetary reward than without. Such relationship was significant for dissatisfied consumers and marginally significant for satisfied consumers. Dissatisfied shopping experience led to a low level of biased review intention, which was counteracted by monetary reward. In fact, we wonder whether motivational conflict may exist for consumers with a high level of altruism. The consumers may have a motivational conflict between accepting the monetary reward and telling the truth. They generally understand that it is unethical to provide a

biased review. If the reward amount is high (vs. low) and the shopping experience is only slightly dissatisfied (vs. very dissatisfied), such unethical behavior may become more acceptable. We conducted a second study so as to investigate the roles of altruism, different degrees of monetary reward and satisfaction levels. In addition, we investigated the impact of such unethical online review invitation on consumer trust in seller and e-retailer review system.

4.4 Study 2: The Effects of Altruism and Reward Amount

Altruism has been found to be an important driver of online content contribution, including online reviews (Teichmann et al. 2015). Consumers may post their purchasing experiences online solely to benefit others (Cheung and Lee 2012), helping to make good buying decisions and saving from negative shopping experiences (Hennig-Thurau et al. 2004). Consumers may provide fake or biased reviews if they receive benefits from the sellers or advertising agencies. However, motivational conflicts may occur particularly for consumers having a high level of altruism which has a concern for the welfare of others. An altruistic personality refers to an individual's internal value system, particularly the tendency to help others because of a genuine concern for others' well-being, regardless of social or motivational reinforcement (Romer, Gruder, and Lizzadro 1986). Individuals with highly altruistic personalities are more likely to show a willingness to provide online assistance (Lee and Lee 2010) and share knowledge in online communities (Jadin, Gnambs, and Batinic 2013). Altruism is the opposite of selfishness and associated with ethical behavior. Consumers with high altruism tend not to accept a rewarded online review invitation to provide biased or fake positive review. Even if they are slightly dissatisfied with the products, they may still insist on posting a negative review to warn other consumers. In contrast, consumers with low altruism facing the same situation may tend to consider the rewarded invitation under a cost-benefit perspective and are likely to post a biased online review so as to obtain the money, particularly when the reward

amount is large. The findings of the first study suggested that when consumers had a satisfied shopping experience, their positive review intention remain unchanged even though there was monetary reward, as their positive review intention was already at a high level. For a very dissatisfied condition (e.g., a major product defect which may arise when the product received was broken, missing pieces, not functioning, or damaged in some way), consumers will show strong product return intentions and refuse to keep the product. They tend not to provide biased review even for incentives such as monetary reward (Forbes, Kelley, and Hoffman 2005; Weun, Beatty, and Jones 2004). Therefore, the effect of reward amount on biased review intention in the satisfied and very dissatisfied conditions will not be as prominent as in the slightly satisfied condition. As indicated by Forbes, Kelley and Hoffman (2005), slightly dissatisfied consumers (e.g., when the ordered product has minor defects such as color deviation or scratches of product surface) are more reluctant to return the product than very dissatisfied consumers because their satisfaction level is still at an acceptable level. They are more sensitive to the amount of reward. The reward amount may be critical because those slightly dissatisfied consumers feel more satisfied when the seller offers them a reward or compensatory incentive (Smith, Bolton, and Wagner 1999). Therefore, we hypothesize:

H3: **Consumers with low (vs. high) altruism are more likely to provide a biased online review, particularly when the reward amount is large. However, such relationship is more salient when the consumers are slightly dissatisfied.**

Consumer Trust in Seller and Review System

For consumers having dissatisfied shopping experience, they are likely to query about the trustworthiness of the seller when they are asked to provide a positively biased online review for the seller. For an invitation to provide biased online review, it can be easily considered as an unethical behavior for

generating fake or misleading information (Ma and Lee 2014). It is indeed unethical to provide biased or fake online reviews. A review invitation with monetary reward may further lead to consumer cynicism, and such rewarded invitation may be treated as a kind of poorly conceived marketing practices (Chylinski and Chu 2010). Therefore, when dissatisfied consumers have received a rewarded online review invitation for making a biased review, they are likely to form a feeling of distrust toward the seller's rating record and credibility. Such distrust feeling may even spillover toward the entire re-retailer review system. Since immorally based information or unethical behavior can create conflicts with consumers' moral or social values, they are negatively evaluated by consumers (Votola and Unnava 2006). Consumers who receive an unethical online review invitation may infer that such invitation was also sent to other consumers who bought the seller's product. More importantly, they may think that many biased ratings and reviews are produced via the rewarded invitation. In the study of spillover effect of negative information on competing brands, Janakiraman, Sismeiro and Dutta (2009) indicated that when consumers find unethical behavior in one seller, they are likely to suspect other sellers performing the similar unethical behavior. When consumers find that there are unethical and biased online reviews by one seller, they will think other sellers also have such unethical problems. A distrust toward a particular seller can generalize to the entire online rating and review system. Thus, we hypothesize:

H4:   Consumer trust in (a) seller and (b) e-retailer review system is negatively affected by an online review invitation with monetary reward, particularly when consumers' shopping experience is dissatisfied.

4.4.1 Method and Procedures

Different from the first study, this study had two levels for dissatisfied

conditions (i.e., slightly dissatisfied and very dissatisfied). For monetary reward, a control (no reward) was included together with high and small rewards. A 3 (shopping experience: satisfied vs. slightly dissatisfied vs. very dissatisfied) x 3 (monetary reward: large vs. small vs. control) x 2 (altruism: high vs. low) between-subjects factorial design was used. Shopping experience and reward amount was manipulated by experimental stimuli, while high and low levels of altruism were determined by median split of the measurement. A few pretests were performed to select the product and reward amount. According to Dodds, Monroe and Grewal (1991), an appropriate product for an experiment should be an item (1) that participants would potentially purchase, (2) that would represent different price ranges and (3) that both men and women would use. Based on the pretests, jeans were chosen as the product for the experiment. We searched e-retailer Taobao.com using the keywords like "refund or reward for positive online review" and examined the ranges of reward amount for online review invitation. After considering the average price of a pair of jeans in online stores and pretest results, RMB 5 and RMB 30 were chosen as the small reward and large reward respectively. RMB (Renminbi) is the currency of China (1 Euro = approximately 7.36 RMB).

The participants were recruited by a professional online survey company in China. A valid sample size of 947 was obtained. Of these participants, 434 (45.8%) were male, and 513 (54.2%) were female. The age of participants ranged from 18 to 60, and 88.5% were between 18 and 40 years old. All participants were randomly assigned and required to log into different webpages based on the experimental conditions. They were asked to complete an altruism personality test before reading the scenarios and then required to complete a questionnaire which measured their responses and demographics. A small incentive was provided to the participants. The participants were finally thanked and debriefed.

4.4.2 Scenario manipulations

In the questionnaire, the participants were asked to imagine that they had purchased a pair of jeans from Taobao.com several days ago and had just received the product. When they opened the package, they found a review

invitation card in addition to the ordered product. For the manipulations of reward amount, two versions of review invitation cards were used. Both versions asked the participants to provide a five-star review with at least 10 words of positive comments. A refund of RMB 5 was provided for low reward amount condition while RMB 30 was provided for high reward amount condition. For the condition of satisfied shopping experience, participants were informed that the pair of jeans purchased were made of good denim fabric and appeared to be stylish and meeting their expectations. For the condition of slightly dissatisfied shopping experience, participants were informed that the pair of jeans had a minor defect, i.e., a slightly different color from the photo in the store advertisement, and with a lower level of craftsmanship. For the condition of very dissatisfied condition, the pair of jeans was very negatively described, i.e., major color difference, low-quality fabric, and extremely rough work.

4.4.3 Measures

Altruism was measured by 14 items adapted from the self-reported altruism scale developed by Rushton et al. (1981). The original scale includes 20 items, but 6 items were deleted due to cultural adaptation. The participants were asked to rate the frequency of their altruistic behaviors in daily life by using options like: "never," "once," "more than once," "often" and "very often" (from 1 to 5). These altruistic behaviors included "giving directions to a stranger," "giving money to a charity," and "delaying an elevator, holding the door open for a stranger", and so on. The participants' intention to provide positive review was measured by one single item: "Intention to give the seller an overall five-star rating plus some words of positive review". This item was measured using a 5-point semantic differential scale (1 = definitely not; 5 = definitely yes). The participants' trust in the seller and the e-retailer review system was measured by similar items adapted from Bart et al. (2005). For trust in the seller (or e-retailer review system), participants were asked to rate their agreement with three statements: "My overall trust in this seller (or Taobao.com) is high", "I have overall positive belief in the information presented in this seller's store (or Taobao.com)", and "My overall confidence in the recommendations on this

seller's website (or Taobao.com) is high". 5-point Likert scales were used for the measures (1 = strongly disagree; 5 = strongly agree) and Taobao.com was selected as the e-retailer review system or platform.

4.4.4 Results

Reliability Test

Cronbach's coefficients showed that the measurement scales for altruism and consumer trust toward the seller (and toward the e-retailer review system) were reliable. The Cronbach's alpha for the scale of altruism is 0.88. The alpha for the scale of trust on seller was 0.93 while the alpha for the trust on e-retailer review system was 0.90. The alphas are considered as acceptable when they are greater than 0.7 (Lance, Butts, and Michels 2006).

Manipulation Checks

Manipulation checks by ANOVA indicated that the three shopping experience conditions (i.e., satisfied vs. slightly dissatisfied vs. very dissatisfied) were significantly different ($M_{satisfied}$ = 4.72, $M_{slightly\ dissatisfied}$ = 2.15, $M_{very\ dissatisfied}$ = 1.43, $F(2, 944)$ = 1450.85, $p < 0.001$). For the reward amount condition (large vs. small reward), the independent-samples t-test indicated that there was significant difference in the two reward amounts ($M_{large\ reward}$ = 3.99, $M_{small\ reward}$ = 1.75, t = -45.76, $p < 0.001$). Manipulations of stimuli were found to be successful.

Test of Hypotheses

MANOVA was conducted to test the proposed hypotheses as the three dependent variables are correlated. As shown in Table 4.3, the results revealed only one significant three-way interaction effect among shopping experience, reward amount and altruism on biased review intention (Wilks' lambda = 0.96, F = 4.72, $p < 0.01$). Significant two-way interaction effect between shopping

experience and reward amount was found on trust in seller ($F(4, 938) = 2.37$, $p < 0.05$), and also on trust in e-retailer review system ($F(4, 938) = 7.45$, $p < 0.001$). A graphical illustration of the interaction effect is shown in Figure 4.2. Positively biased review intention is found to be the lowest when shopping experience is very dissatisfied, followed by slightly dissatisfied. As expected, satisfied shopping experience leads to a higher positive review intention. Biased review intention is found to be the greatest when altruism level is low, reward amount is large, and shopping experience is only slightly dissatisfied. Therefore, H3 is supported.

Table 4.3

Results of MANOVA (Study 2)

| | Multivariate | | Univariate | | | | | |
| | | | Biased review Intention | | Trust in Seller | | Trust in e-Retailer Review System | |
	Wilks' λ	F	DF	F	DF	F	DF	F
Shopping experience (A)	0.57	101.04**	2	276.82**	2	209.02**	2	17.64**
Reward amount (B)	0.85	26.02**	2	4.45*	2	22.41**	2	64.21**
Altruism (C)	0.96	12.84**	1	8.28**	1	2.73	1	21.87**
A×B	0.87	11.01**	4	12.64**	4	2.42*	4	8.10**
A×C	0.98	2.91**	2	4.67*	2	0.28	2	1.36
B×C	0.97	4.12**	2	8.23**	2	0.17	2	2.26
A×B×C	0.96	2.89**	4	4.72**	4	1.43	4	0.09

*Significant at $p < .05$

**Significant at $p < .01$

Figure 4.2

Interaction Effect of Shopping Experience, Reward Amount and

Altruism on Biased Review Intention
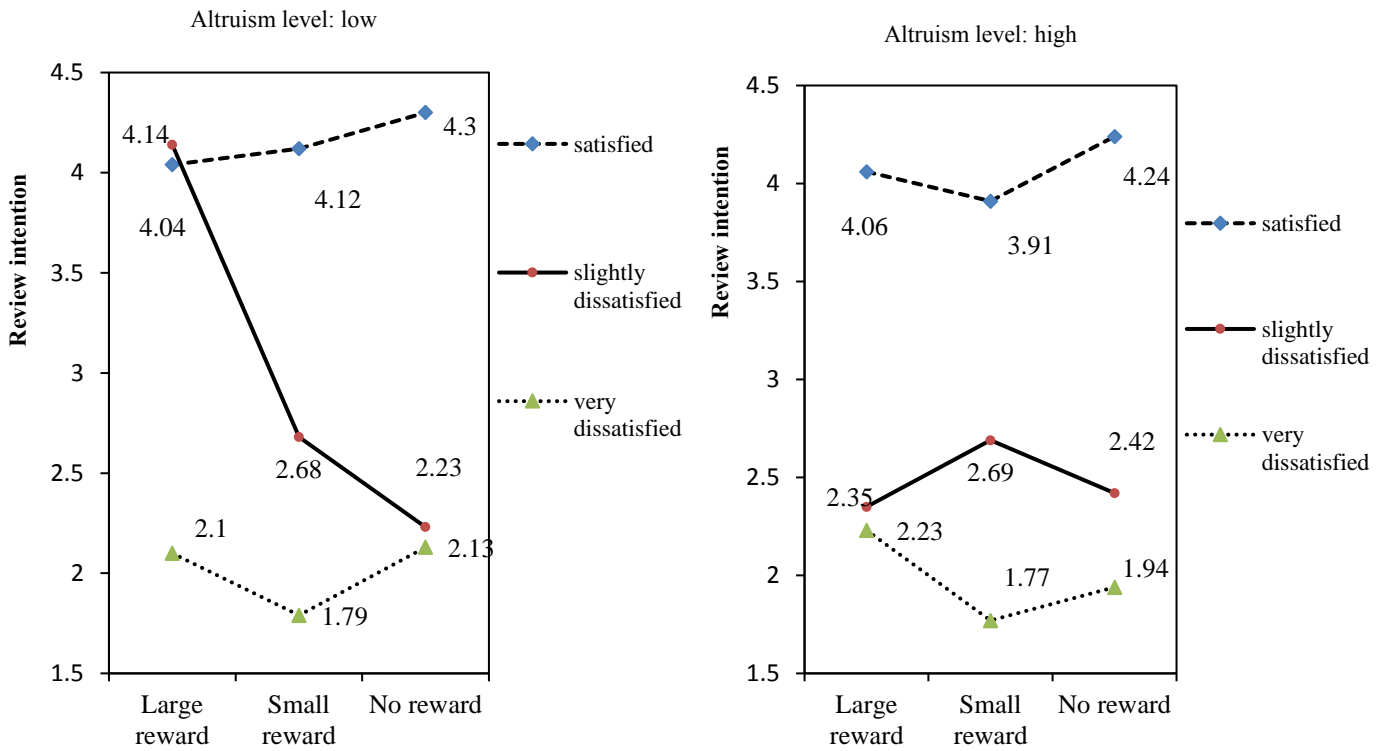
H4a predicted that consumers' trust in the seller's rating record and credibility would be negatively affected by an online review invitation with monetary reward, particularly for dissatisfied shopping experience condition. In fact, interaction effect between shopping experience and reward amount was found ($F_{(4, 938)} = 2.37$, $p < 0.05$), see Table 4.3. The mean scores of consumer trust in seller were significantly greater under satisfied condition than dissatisfied conditions (including slightly dissatisfied and very dissatisfied). In the simple effect analysis conducted as a follow-up for the "satisfied shopping experience" situation, the results showed a significant difference in consumer trust in seller for different reward amounts ($F_{(2, 312)} = 14.26$, $p < 0.001$). Compared with the control (non-reward) group ($M = 4.11$), consumer trust in seller diminished when the condition was under large reward ($M = 3.43$) or small reward ($M = 3.70$). The differences were confirmed by post hoc test (Least Significant Difference, LSD) and graphically shown in Figure 4.3a. For "very dissatisfied shopping experience" situation, no significant difference in consumer trust in seller was found ($M = 2.28$ vs. 2.0 vs. 2.07; $F_{(2, 311)} = 1.99$, $p > 0.1$), see Figure 4.3b. However, a significant difference was found in the "slightly dissatisfied shopping experience" situation ($F_{(2, 315)} = 11.95$, $p < 0.001$). As shown in Figure 4.3c, consumer trust in seller diminished when there was a rewarded review invitation, regardless of large reward ($M = 2.46$) or small reward ($M = 2.39$), compared with non-reward condition ($M = 3.04$), post hoc pairwise comparison by LSD showed that the decrease was significant. Therefore, H4a is supported.

Based on the concept of spillover effect, H4b predicted that consumers' trust in the entire e-retailer review system would be negatively affected by a positively biased online review invitation with monetary reward, particularly for dissatisfied shopping experience conditions. A significant interaction effect between shopping experience and reward amount on consumer trust in review system was found ($F_{(4, 938)} = 7.45$, $p < 0.001$). Simple effect analysis was performed to further investigate the interaction effect. For "satisfied shopping experience" situation, the results showed a significant difference in consumer trust in e-retailer review system for different reward amounts ($F_{(2, 312)} = 6.49$, $p < 0.01$). Compared with the control (non-reward) group ($M = 3.76$), consumer

trust in e-retailer review system diminished when the condition was under large reward (M = 3.33) or small reward (M=3.62), see Figure 4.3a. Pairwise comparisons by LSD showed that consumer trust in e-retailer review system was significantly different between large reward and non-reward conditions (p <0.001), and between large reward and small reward conditions (p <0.05), but not between small reward and non-reward conditions (p >0.1).

For "very dissatisfied shopping experience" situation (see Figure 4.3b), consumer trust in review system under non-reward condition (M = 3.86) decreased significantly when the review invitation was rewarded by either a large reward (M = 2.94) or a small reward (M = 2.80). Significant difference in consumer trust in e-retailer review system for different reward amounts was found (F(2, 311) = 45.46, p <0.001). However, LSD tests showed that there was no significant difference between large reward and small reward conditions (p >0.1).

For "slightly dissatisfied shopping experience" situation (see Figure 4.3c), consumer trust in review system under non-reward condition (M = 3.74) also decreased significantly when the review invitation was rewarded by either a large reward (M = 2.93) or a small reward (M = 2.96). Significant difference in consumer trust in e-retailer review system for different reward amounts was found (F(2, 315) = 25.54, p <0.001). However, LSD tests also showed that there was no significant difference between large reward and small reward conditions (p >0.1). Therefore, H4b is also supported.

Figure 4.3

**Effects of Reward Amount and Shopping Experience on Consumer
Trust in Seller and e-Retailer Review System**

(a) Shopping experience = satisfied

(b) Shopping experience = very dissatisfied
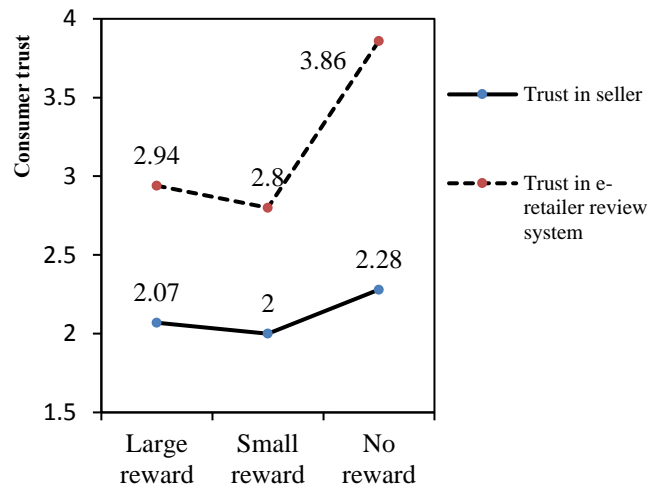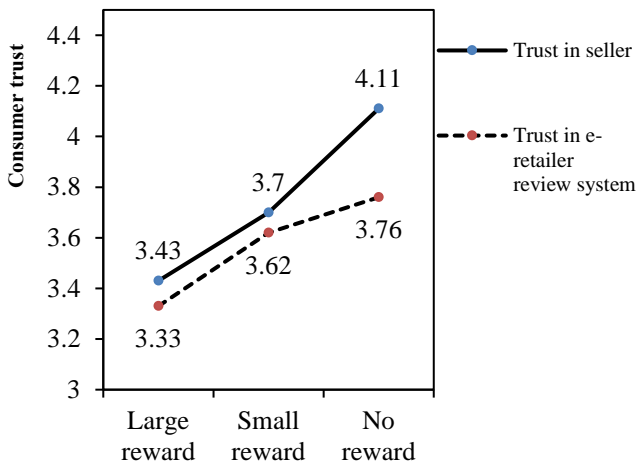
(c) Shopping experience = slightly dissatisfied
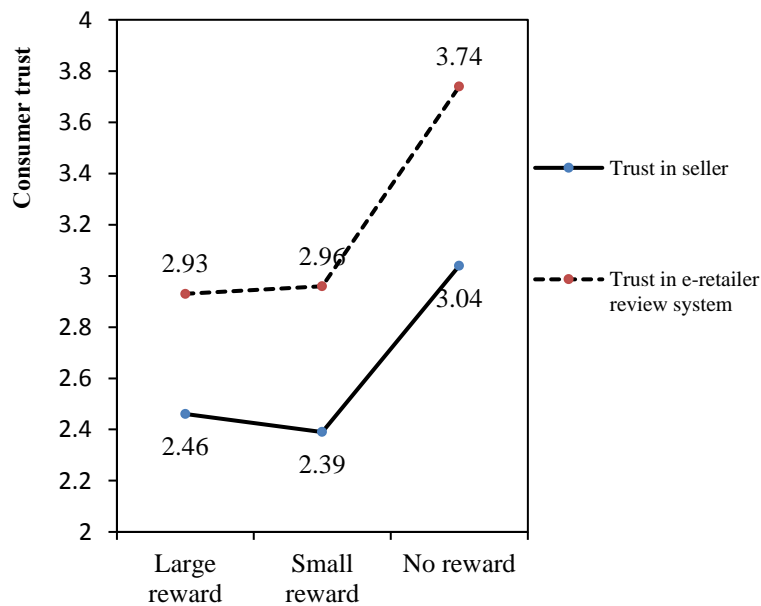
4.5 General Discussion and Conclusion

The current study focused on a popular but questionable marketing communication strategy that has been widely adopted by online retailers in recent years, i.e., to incentivize buyers to provide biased favorable reviews by offering cash rewards. The primary propose of this study was to investigate buyers' reactions to such invitations under different shopping experience and reward amount conditions. The role of altruism was also investigated in this study. Two experiments were conducted to test the proposed hypotheses.

In general, the use of monetary reward in asking consumers to provide positive reviews is found be not effective and useful. Our results show that consumers' shopping experience directly influences their intention to provide a positive review. Consumers who are satisfied with the online shopping are likely to provide positive reviews for the sellers. Monetary reward seems to be a bonus. For very dissatisfied consumers, the reward would not easily enhance their biased review intention even though the reward is large in amount. It is because those consumers can choose to return the ordered product and get back the money already paid online. However, monetary reward is found to be effective on consumers who are slightly dissatisfied with their shopping experience and have a low level of altruism. Most people understand that one of the important functions of online reviews is to help other consumers make good buying decisions. Posting a biased or fake review in exchange for a reward to reduce loss or obtain benefits is difficult for consumers who want to help others by providing accurate reviews of their shopping experiences. Therefore, altruism influences the effect of rewarded review invitation on biased review intention.

Most importantly, the results show that a rewarded review invitation asking for biased and favorable review may induce consumers' distrust in the seller's rating record and credibility, particularly for those who are satisfied or slightly dissatisfied with their shopping experience. Furthermore, the spillover effect may worsen the situation as consumers who have received the rewarded review invitation are likely to have a feeling of distrust toward the seller and also

toward the entire e-retailer review system (such as Taobao.com). In this study, a monetary reward (small or large amount) did not appear to affect very dissatisfied consumers' distrust in the seller's rating record and credibility. Perhaps, it may be due to the fact that a high degree of dissatisfaction has already led to a high degree of distrust. We computed the average scores of consumer trust in seller for all three shopping experience conditions and found that there were significant differences (F(2, 944) = 200.16, p <0.001). The average trust level in the very dissatisfied condition (M=2.12) was much lower than that the slightly dissatisfied condition (M=2.63) and the satisfied condition (M=3.75). Being very dissatisfied, consumers may seriously doubt about the seller's rating record and credibility because of the considerable discrepancy between their expectations and actual experiences. Such expectations are generally derived from consumers' knowledge of the seller's past service and other consumers' confidence in the seller (Clow and Beisel 1995). On the other hand, consumers' trust in the entire e-retailer review system or platform was found to be significantly lower in the very dissatisfied condition. It may mean that the spillover effect still occurs for very dissatisfied consumers and their distrust in a specific seller can generalize to the entire e-retailer review system such as Taobao.com in China.

The results from the present study contribute to the literature on unethical marketing behaviors and consumer online review behaviors. Although a large number of studies have demonstrated that unethical marketing practices significantly influence consumer responses (e.g., Brown and Dacin 1997; Folkes and Kamins 1999), only a few studies have focused on consumers' responses to biased or manipulated online reviews. In a recent study, Ma and Lee (2014) have examined the changes in consumers' trust and purchase intentions when they know that online reviews have been manipulated. Such manipulation of reviews was found to negatively affect consumers' attitudes toward a brand and the company. Our research extends this research by exploring consumers' direct reactions to a seller's or advertising agent's online review manipulation and by examining the influence of such manipulation on consumers' trust in the seller's rating record and credibility as well as the spillover effect on the entire e-retailer's review system. In fact, Yelp.com, which publishes crowd-sourced reviews about local businesses, was criticized

for manipulating and blocking reviews so as to increase advertising dollars (Wofford, 2014). To the best of our knowledge, this study is one of the first to explore consumer responses to an unethical marketing strategy by using experimental design. Our results regarding the negative impact of unethical online review on dissatisfied consumers' trust in seller are consistent with the findings of previous studies (Folkes and Kamins 1999; Ma and Lee 2014), which indicate that consumers are sensitive to the negative practices of sellers (Sen and Bhattacharya 2001) and the negative impact of such malpractice can easily spillover to the sellers' other products, the competitors and even the entire e-retailer system.

Our research findings may help practitioners more thoroughly understand the advantages and disadvantages of this emerging marketing communication strategy about rewarded online review invitation which asks for positively biased reviews. We suggest that online sellers should not adopt this strategy because such strategy is found to be effective only for less altruistic consumers and those who are slightly dissatisfied with their shopping experience. As a matter of fact, such review invitation would lead to a decrease in consumer trust in seller which negatively influences the seller and its brand reputation in the long term. Furthermore, the operators of e-retailer platforms (such as Taobao.com and Amazon.com) should avoid to have this type of unethical marketing communication strategy, particularly due to the fact a decrease in consumer trust in an individual seller will also negatively affect consumer trust in the entire e-retailer review system. In order to have long term success and preservation of brand image and reputation, e-retailers should devote more efforts in encouraging consumers to provide truthful online product reviews.

Research Limitations and Future Research Direction

Based on our pretest, a pair of jeans was chosen as the product used in the experiment. The characteristics of this product might limit the validity of the results in terms of their generalizability to other product categories. It may be interesting to examine whether service categories such as movies, which are seen as intangible, inseparable, variable and perishable, would have similar

findings (Parasuraman, Zeithaml, and Berry 1985). The two reward amounts (large and small rewards) used in the second study were also determined by our pretest results. However, if the reward amount can rise to the level of a full refund, the effect of the rewarded review invitation may be significantly different (Streitfeld 2012). Therefore, future studies may extend this research direction by examining consumers' responses with regard to different product types and different reward amounts.

When studying the moderating effect of consumers' responses to rewarded review invitation, we mainly focused on altruism or altruistic personality trait. Other personality traits or personal beliefs and values may also influence the consumer reactions toward such reward review invitation. For instance, future research may examine the role of moral obligations which have been shown to be an important factor motivating online knowledge sharing and eWOM (Cheung and Lee 2012).

In addition, the present research focuses on the reactions of buyers who have received a rewarded online review invitation from a seller. We mainly focused on consumer responses toward the seller's and e-retailer platform's rating and review system. We did not explore the interaction between consumers. In fact, consumer interactions have shifted the consumption orientation from a product's value to a consumer-to-consumer bond through "linkage of values", especially in virtual communities (Cova 1997). Future research may extend our study to a virtual community environment and investigate the role of consumers' motivations to interact with other consumers in rewarded online review situation.

5. Essay IV: Exploring Trust in Direct Selling and Online Shopping

Abstract

The purpose of this research is to examine the role of trust in direct selling and online shopping. There are two major studies in this research. Specifically, the first study is to explore interpersonal trust in buyer-salesperson relationships in direct selling while the second study is to examine consumer trust in both direct selling and online shopping. Study 1 examines the dimensions of interpersonal trust which would affect the buyer-salesperson relationship in a direct selling situation. It also investigates consumers' perceived risk and advantages of direct selling. Questionnaire survey of consumers and non-consumers of direct selling companies was conducted in Hong Kong, China. The results show that there are six dimensions of interpersonal trust in the buyer-seller relationship in direct selling. Unsolicited telephone call (such as telemarketing) is found to have the highest perceived risk and the ability to shop at home is found to have the highest advantage rating of direct selling. Study 2 is designed as an exploratory study using a personal interview approach in which two sample groups were surveyed in China. Two different measures of trust are used (i.e., cognitive and organization trusts). For one measure of trust, cognitive trust, there is a significant difference between the two marketing methods with the value of trust generally being greater for direct selling. In contrast, for organization trust, the second measure of trust, the value is greatest for online shopping. This is the first study to examine trust in both online shopping and direct selling in the same study. A set of research propositions are proposed which can serve as guides for formal testing in future research.

Keywords: Consumer trust, dimensions of trust, direct selling, online shopping, China

5.1 Study 1: Exploring Interpersonal Trust in Buyer-Seller Relationships in Direct Selling

5.1.1 Introduction

The role of trust in the relationship between buyer and seller/supplier can be found in a large number of business studies. In fact, marketing and other discipline scholars have increasingly looked at trust within the context of business relationships (e.g., Blois 1999; Hansen 2014; Jiang, Henneberg, and Naudé 2011; Lander and Kooning 2013). Business relationships may involve interpersonal relations and inter-organizational relations. Previous studies have shown the important role of trust in business-to-business relationships (Blois 1999; Jarratt and Ceric 2015; Svensson 2001; Zabkar and Brencic 2004) buyer-supplier relationships (Miyamoto and Rexha 2004), and consumers' view of brands (Ar and Kara 2014; Bhuian, 2016; Crosby and Zak 2015), and consumer-retailer relationship (Abbes and Goudey 2015), and sample selection for Internet surveys (Golden and Brockett 2009).

This study looks at trust in buyer-seller relationships in an area of marketing where it has been studied extensively—direct selling. The industry itself is aware of the importance of trust as indicated by the conceptual work reported by Meredith Berkich (2014), former president of the direct selling firm Viridian Energy, and the advocacy work by Garrett Hughes (2016). In the present paper, we examine interpersonal trust which can affect buyer-seller relationships in direct selling situations and expand this research domain to direct selling in Asia. We also look at consumers' perceived risk and advantages of direct selling, and consumers' intention to repurchase.

Personal selling is found to be evolving toward the salesperson as a relationship manager who can build strong ties with customers. Gaining trust is crucial to the industrial salesperson, as trust facilitates an exchange relationship while mistrust hinders it (Jiang, Henneberg, and Naudé 2010; Poon, Albaum, and Chan 2012). According to Newell et al. (2011), there is an association between sales behaviour and buyer assessment of salesperson attributes and loyalty. In addition, consultative task and personal relationship

would play an important role in influencing buyer perceptions of expertise, trust, and relationship loyalty. In the exploratory study conducted in the manufacturing and construction industries of four countries (UK, India, Pakistan, and Poland) by Jiang, Henneberg and Naudé (2011), the findings indicate that both trust and reliance have significant impact on building relationships with long-term perspectives.

There are also studies that investigate the role of trust in e-retailing or online business. Harris and Goode (2004) denote that trust is a pivotal driver of loyalty and is central to service dynamics. Cho (2006) examines B2C Internet exchange relationships by investigating how consumers' evaluations of e-vendor business operations relate to their judgements of trustworthiness and how such judgements shape consumer trust and distrust. Das (2016) examines the antecedents and consequences of trust in online shopping from an e-tail (electronic retail) brand perspective. Sahi, Sekhon and Quareshi (2016) empirically examine trusting beliefs in tandem with the Internet as a distribution channel. As a matter of fact, the commitment-trust theory proposed by Morgan and Hunt (1994) has been extensively used for the study of the role of trust in relationship marketing. Sharifi and Esfidani (2014) examined in a study of cell phone users how relationship marketing can reduce cognitive dissonance in post-purchase evaluations by consumers and thereby increase customer satisfaction and encourage loyalty under the mediating roles of trust and cognitive dissonance. Mukherjee and Nath (2007) examine the commitment-trust theory of relationship marketing in the context of online retailing and conclude that the commitment-trust theory can also apply to online retailing. Pennanen (2011) looked at the relative importance of interpersonal trust and institutional trust in consumers building e-trust. Results indicate that interpersonal trustworthiness is more important than institutional trustworthiness in consumers' e-trust building. Uncertainty reduction theory was used by Racherla, Mandiviwalla and Commolly (2012) to delineate the antecedents of consumers' trust in online product reviews. These researchers tested the competing effects of information content (e.g., argument quality) and social component (e.g., perceived background similarity) on consumers' trust in reviews, and assess whether the strength of effect is moderated by consumers' involvement. Results show that both argument quality and

perceived background similarity contribute to increased trust, but in varying degrees. Results provide mixed support for the moderating role of involvement. Jones and Kim (2010) studied the influence of retail brand trust, off-line patronage, clothing involvement, and website quality on online apparel shopping intention for young female consumers in the United States. Off-line patronage was the strongest predictor of online shopping intention. Using data from Eurobarometer for France and West Germany, Sun (2011) examined the roles of experience and cultural propensity to trust in conducting e-commerce, How the type of good sold (goods vs. services) could moderate the relationship between perceived experiential values and customer attitudes toward the website was studied by Shobeiri, Mazaheie and Laroche (2015). Although offering experiential values on the site improves attitudes for both products and services, the impact was much stronger in the case of services.

However, do these findings apply to the situation of direct selling which normally involves many buyer-salesperson interactions? Previous research has been mainly focused on the context of Western culture and most of the selling contexts do not include direct selling situations. Direct selling involves personal contact between a salesperson and a consumer away from a fixed business location, such as a retail store (Peterson and Wotruba, 1996). More formally, according to the Direct Selling Association in the United States (2014), direct selling is defined as "the sale of a consumer product or service person-to-person, away from a fixed retail location, marketed through independent sales representatives who are sometimes referred to as consultants or other titles". From a retailing perspective, it is a form of non-store retailing. Major modes of direct selling include person-to-person selling at home or workplace or party-plan at a social-based location.

It is the objective of the present study to examine the consumers' general attitude toward direct selling and the buyer-salesperson relationships under a direct selling situation in a non-Western country (Hong Kong, China). Most of the prior research on the topic has been done in Western countries. Although Hong Kong is a hybrid society (a mix of Western and Non-Western cultures), it is distinctly different from the typical Western society. Specifically, the major research objectives of the present study are: (1) to examine consumers'

perceived risk and advantages toward direct selling; and (2) to understand how trust affects the buyer-salesperson relationship in a direct selling situation.

Since direct selling was often directly associated with the notorious pyramid selling schemes, direct selling was banned in China in 1998. However, following the WTO accession in late 2001, China removed the restrictions on direct selling in late 2005 and allowed legitimate direct selling firms such as Amway and Avon to re-operate their business in the Mainland. According to the World Federation of Direct Selling Associations (2016), in 2015 the US was ranked as the top direct selling market in the world with a direct sales of US$36.12 billion (about 19.7% of world sales), followed by China (US$35.46 billion, 19.3%), South Korea (US$16.89 billion, 9.2%), and Germany (US$15.19 billion, 8.3%).

Based on a study of direct selling in Taiwan, Lan (2002) denotes that direct selling involves a network-based economic activities and a dynamic process of network construction. Undoubtedly, gaining consumer trust plays a major role in the success of networking and international business. Related to such networking is the use of technology in the direct selling industry. Ferrell, Gonzalez-Padron and Ferrell (2010) denote that technology has become a driving force in direct selling as it is a means to reduce cost, increase efficiency, facilitate supply chain activities, and ultimately increase sales. The use of communication technology involving devices such as mobile telephones, personal digital assistants, e-mail, websites, podcasts, webinars, and online social technologies has shed light on the critical role of trust in the relationship building between a person and other persons using the technology.

Like all types of retailing and business, consumers' perceived risk and perceived advantages are influential in determining the formation and success of relationships between the consumer and the salesperson/company in a direct selling situation. The extent of trust by a consumer in the direct selling salesperson influences how the relationship progresses, and whether it is successful. The present study uses a sample of consumers in Hong Kong to measure the important variables and it may be viewed as a study opening up an area for more detailed research.

5.1.2 Research Framework

Although Hong Kong is not a large direct selling market with sales in 2014 being US$459 million (or about € 413.1 million), or less than 1% of world sales, it is a good market to use for this study. In fact, wellness category was the largest one globally with 34% share in 2015 and region-wise wellness was the strongest in Asia-Pacific (41%). Its share was 64% in Hong Kong (World Federation of Direct Selling Associations, 2016).

Role of Trust

In retailing, including direct selling situations, consumers' trust toward the salesperson is critical in their decision making. Rotter (1967) holds the view that trust is a generalized expectancy held by an individual toward the others. Moorman, Zaltman and Deshpande (1992) define trust as a willingness to rely on an exchange partner in whom one has confidence. Morgan and Hunt (1994) conceptualize trust is existing when one party has confidence in an exchange partner's reliability and integrity. Achrol (1991) emphasizes that trust is a major determinant of relationship. Ring and Van de Ven (1992; 1994) define trust as confidence in another's goodwill and the expectation that an actor can be relied on to fulfill obligations, behave in a predictable manner, and act and negotiate fairly when the possibility of opportunistic behaviour occurs. Flores and Solomon (1998) indicate that trust is a dynamic aspect of human relationships. It is an ongoing process that needs to be initiated, maintained, and sometimes restored. Using a sample of firms in Spain, Dasi-Rodriguez and Pardo-del-Val (2015) studied the importance of trust in seeking partners in strategic alliances. An interesting question covered by Orth, Bonzdine-Chameeva and Brand (2013) is whether a salesperson's touch of a customer has an effect on consumer trust. Their study of consumers in France and Germany reported that touch does not uniformly instill trust in customers. In a study of users of online shopping, Pappas et al. (2014) looked at the effect of trust on satisfaction of both low-experienced and high-experienced customers of online retailers and at the strength of the relationship between high- and low-

experienced customers. Their findings showed that experience had moderating effects on the relationships between performance expectancy and satisfaction and satisfaction and intention to repurchase. In addition, customer experience was found to strengthen the relationship between performance expectancy and satisfaction, but weaken the relationship of satisfaction with intention to repurchase. In a study of online and in-store shopping behavior, Liu, Burns and Hou (2013) reported that store trust was a stronger influencing factor for the in-store purchases than online trust was for Internet purchases,

Previous studies have highlighted a number of possible dimensions of trust such as ability, benevolence, competence, consistency, fairness, honesty, integrity and responsibility that may occur in the relationship commitment between a buyer and a salesperson (Altman and Taylor 1973; Dwyer and LaGrace 1986; Larzelere and Juston 1980; Mayer et al. 1995; Rotter 1971). There may be different aspects of trust. For example, Nocella et al. (2014) studied cognitive and affective dimensions of trust for attitudes in the context of consumer willingness to pay for food information in a new magazine. Within the area of relationship marketing, Wang (2009) examined trust and relationship commitment between direct selling salespersons and customers. Results indicated that opportunistic behavior and shared values affected cognitive trust and emotional trust, whereas both types of trust affected customer relationship commitment. Another study, one involving the influence of trust in charitable-giving behavior, differentiated types of trust as particularistic in individual organizations and generalized in unknown others (Hager and Hedberg 2016). All these views highlight the importance of confidence and expectation on the part of the trusting party results from the belief that the trustworthy party is reliable and has high integrity. Berry and Parasuraman (1991) emphasize that such qualities are very important to services business as the customers buy a service before they can really experience it. A model depicting the relationship among trust, transparency, attitude, word-of-mouth (WOM) intention, and purchase intention is developed by Kang and Hustvedt (2014). Using a sample of consumers in the United States, consumers' trust and attitude toward the company were directly affected by consumers' perception of a company's efforts to be transparent in the production and labor conditions and to be socially responsible for giving

back to the local community and indirectly affected by their intentions to purchase from and spread positive WOM about the company. It is then worth studying how trust affects relationships between marketers and customers in a direct selling situation (Merrilees and Miller 1999; Schurr and Ozanne 1985; Zaltman and Moorman 1988).

It is generally believed that customer orientation plays a basic role explaining sales performance. This, of course, is the essence of the *marketing concept*. Research has challenged this by reporting findings of a non-significant effect of customer orientation on objective sales performance (Franke and Park 2006). In contrast, Yuan et al. (2011) reported that perceived customer orientation of an e-retailer positively impacts the consumers' trust toward it. Research in the direct selling industry shows that even though there is a non-significant direct effect on the static initial aspect of objective sales performance, there is a significant direct effect on longitudinal performance trajectories (Jaramillo and Grisaffe 2009). The role that trust plays in long-term relationships is obvious.

Although trust is important in direct selling, Peterson et al. (1989) found that consumers perceived a greater risk in purchasing by direct selling than in purchasing from a mail order catalogue or in a retail store. Albaum (1992) also found that the negative image of this method of distribution was one of the major problems faced by direct selling companies. Over the years, the direct selling industry, particularly the approach known as multilevel or network marketing, has been viewed negatively by marketing scholars and business practitioners (e.g., Bloch 1996; Hyman 2008; Koehn 2001; Muncy 2004; Taylor 2005; Vander Nat and Keep 2002). Responses to the critics have been the works by Albaum and Peterson (2011) and Albaum (2008).

Interpersonal Trust in Buyer-Salesperson Relationships in Direct Selling

Trust in buyer-salesperson relationships has been developing over time. Trust has been defined and measured in marketing and the social sciences in a variety of ways (Andaleeb and Anwar 1996; Lundmark et al. 2016). Although

trust has different definitions under different disciplinal contexts, trust is a basic feature of all social interactions (Johnson-George and Swap 1982). As mentioned by Ganesan and Hess (1997), trust may exist in four different ways. The ways of existence may be in the forms of interpersonal trust (between a buyer and a salesperson), organizational trust (between the buyer and the salesperson's organization), intra-organizational trust (between the salesperson and the salesperson's organization), and/or inter-organizational trust (between the salesperson's organization and third-party organization). However, the present study mainly focuses on the domain of interpersonal trust which is expected to have the strongest influence on the direct selling industry. In a direct selling situation, a salesperson has to develop trust with consumers/buyers during their interpersonal interaction in order to have better sales and develop long-term relationships. This should hold in a Western or non-Western country. In the study of consumer trust in salespersons in a developing country, Andaleeb and Anwar (1996) indicate that salesperson attributes such as expertise, intent, and likability influence consumer trust in salespeople.

Borrowing the concepts of trust by Brashear et al. (2003), and Ganesan and Hess (1997), the present study focuses on four key dimensions of interpersonal trust (i.e., benevolence, honesty, competence and reliability) and other dimensions that may exist due to the measurement scale of trust used in data collection. Benevolence can be viewed as the buyer's expectation that a salesperson's actions will be in the best interest of a buyer (Brashear et al. 2003; Kumar, Scheer, and Steenkamp 1995). Competence can arise from a buyer's confidence in the salesperson's knowledge and skill related to a specific task, the salesperson's ability, and the expectation that the salesperson is capable of performing and will perform as expected (Cook and Wall 1980). Honesty or integrity is the ability to rely on a person's word (Linksold 1978), the keeping of one's word, and fulfilling obligations (Kumar, Scheer, and Steenkamp 1995). Brashear et al. (2003) stress that competence and honesty may be viewed as one single dimension (i.e., credibility). Perceived expertise is related to a salesperson's competence, and ability to answer specific questions while perceived likability is related to a salesperson's sense of humor, friendliness, and pleasant manner. The source-credibility literature shows that likability

influences a buyer's credibility perceptions about the salesperson (DeSarbo and Harchman 1985; Joseph 1982). The fourth dimension (i.e., reliability) is drawn from the study of Morgan and Hunt (1994, p. 23) which indicates that trust would exist when one party has confidence in an exchange partner's reliability and integrity. Credibility can be viewed from two perspectives (competence-based credibility and honesty-based credibility). The above four dimensions of interpersonal trust (and others) are expected to have an influence on the repurchase intentions for direct selling products from the same salesperson.

In addition to the effect of interpersonal trust, this study explores consumers' perception of risk associated with buying from a direct selling company and the perceived advantages of such a transaction. The following broad research questions are the basis of the present study:

RQ1:   What perceptions of risk do consumers have regarding buying from a direct selling company and other modes of retail?

RQ2:   From the consumers' perspective, what are the perceived advantages of buying from a direct selling company?

RQ3:   What are the major dimensions of trust, as viewed by consumers, and which ones are significantly related to intention to purchase from a direct selling company?

Based on these questions, the following hypotheses are developed as the basis of the empirical study conducted:

H1:   The greatest consumer perceived risk for purchasing a product from alternative retail channels is not any form of direct selling.

H2:   The major advantage perceived by consumers of buying from a direct selling company is the ability to shop at home.

H3:   The major dimensions of trust, as viewed by consumers, are statistically significantly related to intention to purchase from a direct selling company.

5.1.3 Methodology

The population studied was the general public people of Hong Kong, China which includes both customers and non-customers of direct selling companies. Personal interviews conducted by trained student interviewers were used to obtain the required data. A pre-test of the questionnaire was done on 40 post-graduate students before the actual questionnaire survey. The purpose of the pretest was to assess any problems in the wording and understanding of questionnaire items. Students are a valid group to use for this purpose. Using the street-intercept method of interviewing a sample of 240 customers and non-customers were surveyed at the major shopping areas in Hong Kong. After screening, a total of 212 questionnaires were obtained for analysis.

The measurement scale for perceived risk was adapted from Peterson, Albaum and Ridgway (1989) who did a survey on consumer buying behavior. Perceived risk for purchasing a product from different retail channels was measured by a set of 7-point simple rating scales (1 = very risky, 7 = not risky at all). The question for overall perceived risk was "Please indicate how risky you believe purchasing a product is by each of the alternative ways shown (circle the appropriate number for each)". Rating of individual advantages for buying from a direct selling company was also measured by a 7-point simple rating scale anchored from 1 (very important) to 7 (very unimportant). One difference in method from the other measures is that perceived advantages were obtained using a split-ballot approach (Oppenheim, 1992) in which two versions of the questionnaire were administered randomly. In the measurement of trust, 17 items were used (5-point Likert Scale; 1 = strongly disagree, 5 = strongly agree). However, only 15 items were retained for analysis based on the result of factor analysis. The trust measure can be viewed as one measuring general trust in direct selling (Young and Albaum 2003; Poon, Albaum, and Chan 2012). The dependent variable (i.e., repurchase intention) was measured

by a 7-point rating scale (1 = very much, 7 = not at all).

5.1.4 Results

Table 5.1 shows the profile of respondents. The respondents were mainly male. More than 60% are under the age of 30, not married, and have a household income under HK$300,000 (€ 35,715). Finally, only 18.6% of respondents had never made a purchase from a direct selling company. Since a split ballot was used for response to the perceived advantages questions, it is necessary to see if there are differences in the demographic characteristics of respondents. Sample characteristics did not differ statistically significantly ($p > .22$).

Although the obtained sample was not exactly representative of the Hong Kong population in some demographic characteristics (younger, more males), the income distributions were close to each other as the median income in Hong Kong (Hong Kong SAR Government, 2015) was HK$280,000 which fits in the range of the sample median income category. Overall, the sample is adequate to assess relationships.

Perceived risk and advantages

For consumers' (direct selling purchasers and non-purchasers) perceived risk for purchasing a product from different channels, unsolicited phone call (such as telemarketing) is found to have the highest risk, followed by direct sales at home, mail-order catalogue, sales party, direct sales at my workplace, and finally retail store (see Table 5.2). This finding confirms the results of research conducted 20 years ago by Yeung, Yau and Leung (1993).

Table 5.1

Profile of Respondents (Study 1)

Characteristics	Percentage Response (N =212)
Gender	
Female	37.3
Male	62.7
Age	
18-24	32.5
25-29	28.3
30-34	19.0
35-44	13.6
45-54	6.6
Marital Status	
Married	30.2
Not married	69.8
Household Annual Income (HK$)	
Under $150,000	30.2
$150,000 - $299,999	33.0
$300,000 - $499,999	21.7
$500,000 - $749,999	10.4
$750,000 - $999,999	2.8
$1,000,000 and more	1.9
Purchase from Direct Selling Company	
Yes	81.6
No	18.4

Exchange rate: € 1 = HK$ 8.4

Table 5.2

Perceived Risk for Purchasing a Product from Different Channels[a]

Channel	Mean value of perceived risk[b] (N=212)	Rank
Retail store	4.86 (1.19)	6
Unsolicited phone call (e.g. telemarketing)	2.46 (1.24)	1
Direct sales at home	3.07 (1.29)	2
Direct sales at my workplace	3.39 (1.20)	5
Sales party	3.38 (1.36)	4
Mail-order catalogue	3.28 (1.42)	3

[a](7-point scale, 1 = very risky, 7 = not at all risky).

[b]Number in parenthesis is standard deviation.

All respondents were asked to indicate the extent to which specific aspects of the direct sales relationship were advantages of direct selling. As previously mentioned, a split-ballot approach was used to obtain responses. Table 5.3 shows the rating of advantages for buying from a direct selling company. The ability to shop at home is found to have the highest rating, followed by prior knowledge of the salesperson and the salesperson's product knowledge.

Trust and Repurchase Intention

Those respondents who reported having made a purchase from a direct selling company (81.6% of respondents) were used for measuring trust. Factor analysis with Varimax rotation was conducted on the 17 scale items measuring trust. Six factors or dimensions of trust were found, based on 15 items. Two items were deleted as they did not load significantly on any factor. The first factor found was variability, followed by consistency, reliability, benevolence,

behavior, and honesty. The total variance explained is 59.2%. Table 5.4 shows the result of the factor analysis. As shown, two additional dimensions of trust emerge in addition to the four reported in the literature, i.e., variability and behavior.

Table 5.3

Rating of Advantages for Buying from a Direct Selling Company[a]

Perceived advantages	Mean[b]	Rank
Group A[c]		
Convenience	3.14 (1.24)	8.5
Ability to ask question/try product	3.01 (1.41)	10
The courtesy of the salesperson	2.92 (1.42)	11
Price	2.87 (1.39)	13
Salesperson's trustworthiness	2.89 (1.50)	12
Variety of choice	3.18 (1.41)	5.5
Group B[d]		
Ability to shop at home	4.08 (1.35)	1
Availability of product catalogues/ brochures	3.23 (1.46)	4
Salesperson's product knowledge	3.29 (1.80)	3
Better after-sale service	3.18 (1.89)	5.5
Salesperson's trust worthiness	3.14 (1.84)	8.5
Prior knowledge of salesperson	3.54 (1.65)	2
Follow-up	3.17 (1.81)	7

[a]Reverse scored (7-point scale; 7=very important, 1=very unimportant).

[b]Number in parenthesis is standard deviation.

[c]Sample size ranged from 79 to 81.

[d]Sample size is 86.

Table 5.4

Factor Analysis Results[a]

Dimensions of Trust	Factor Loading
Variability	
1. A direct salesperson's behavior tends to be quite variable. One can't be sure what he or she will do next.	0.61
2. One cannot rely on a direct salesperson.	0.67
3. It is difficult for me to be absolutely certain that a direct salesperson will continue to care for me.	0.69
4. People cannot always be certain how a direct salesperson is going to act from one day to the next.	0.64
Consistency	
1. A direct salesperson can always be counted on to act as one would expect.	0.60
2. Direct salespersons behave in a consistent manner.	0.74
3. I feel secure in facing new direct purchase situations because I know that a direct salesperson would not let me down.	0.58
Reliability	
1. I doubt that a direct salesperson would take my point of view into account	0.74
2. A direct salesperson is not someone others would necessarily consider reliable.	0.68
Benevolence	
1. Direct salespersons are thoroughly dependable people, especially when it comes to doing things that are important.	0.78
2. There are times when I am hesitant to let a direct salesperson engage in activities which make me feel vulnerable.	-0.55
Behavior	
1. Conflicts and tensions will not damage any relationships I have with direct salespersons because I know we can overcome these.	0.53
2. Direct salespeople exhibit familiar patterns of behavior.	0.76
3. Even in similar circumstances, I am not certain a direct salesperson would act in the same way twice.	0.50
Honesty	
1. No matter which company a direct salesperson works for, he/she would never be dishonest, even if there was no chance of being caught.	0.85

[a]Percent variance explained is 59.25%.

Table 5.5

Correlation among Trust Dimensions and Repurchase Intention

Trust Dimension	Correlation $(r)^a$
Variability (F1)	.02
Consistency (F2)	.05
Reliability(F3)	.04
Benevolence(F4)	-.16
Behavior(F5)	.01
Honesty(F6)	-.14

[a]Sample size varies from 148 to 151.

The mean of each trust dimension and the correlation among these dimensions and repurchase intention are shown in Table 5.5. Repurchase intention was reverse scored for this analysis so that the greater the value the greater the intention to repurchase. There is no statistically significant correlation (p <.10) between repurchase intention and any trust dimension. Repurchase intention was then regressed with the six dimensions of trust. The regression result is shown in Table 5.6 which shows that there is no statistically significant relationship (p <.05) between repurchase intention and the six dimensions of trust when viewed together as a set. This finding is consistent with the simple correlation findings that no dimension was shown to be significantly related to repurchase intention.

Table 5.6

Regression for Repurchase Intention and Trust Dimensions

Trust Dimension	β	t-value	*p*
Variability	-.03	.61	.54
Consistency	.08	.94	.34
Reliability	.04	.42	.67
Benevolence	.22	1.81	.08
Behavior	-.01	.05	.96
Honesty	.17	1.18	.24

R Square=.04

Overall model, *p* <.40

5.1.5 Discussion

Previous research shows that customer trust is an important factor affecting direct selling activities (Poon, Albaum, and Chan 2012; Young and Albaum 2003). However, no research has been done in the past to investigate the effects of different dimensions of customer trust on consumer buying behavior under a direct selling situation. In general, H1 and H2 are supported based on the findings of the study. Unsolicited telephone call such as telemarketing is found to have the highest consumer perceived risk and so direct selling does not have the greatest perceived risk level. Moreover, the major advantage perceived by consumers of buying products from a direct selling company is the ability to shop at home. However, H3 is not supported. In other words, the major dimensions of trust as viewed by consumers are not necessarily positively

related to intention to purchase from a direct selling company. A summary of the results of the hypothesis tests from the present study is as below:

H1: Supported (direct selling is not viewed as the major source of risk in buying from retailers).

H2: Supported (ability to shop at home is the major advantage of buying from a direct selling company).

H3: Not supported (the relationship between dimensions of trust are not statistically significantly related to intention to purchase from direct selling company).

In the present study, it is interesting to find that no trust dimension positively significantly affects the repurchase intention for a direct selling product (through the same salesperson). This may be explained partly by the fact that the "negative image" of direct selling hinders the effects of the trust dimensions. Also, the somewhat neutral position of the sample on repurchase intention (mean = 4.4 on a 7-point scale) may also contribute to the findings. Nevertheless, the findings may be subjected to personal and cultural factors and so generalization is limited. Further research with different populations is recommended.

In the present study, risk and advantages regarding direct selling were measured by a simple rating scale. This is straight-forward. On the other hand, we selected a multi-item scale for trust, what Young and Albaum (2003) in their study of direct selling in Australia and the United States called Trust 3 (or a measure of generalized trust). Given this, we propose that future research may consider using population-representative samples that at a minimum the hypotheses tested in the present study serve as a base for testing.

Other trust measures could have been used such as the four measures, based on affect and emotions, identified by Young and Albaum (2003): Trust 1, Trust 2, Commitment, and Distrust. Also, other wording of items and number of scale points in the generalized trust measure could be used as suggested by

Lundmark et al. (2016). Future research should examine the applicability and usefulness of all trust measures in other non-Western cultures or nations. This is necessary as one cannot assume that any specific measure of trust, or the role that trust plays in the customer-salesperson relationship in a direct selling situation is a cultural etic (i.e., culture free). We may assume that there are cultural differences in terms of consumer trust in buyer-seller relationships in direct selling situations until we can prove that the assumption is wrong. In fact, it is wise to follow the advice of Adler (1991, p. 67), "assume difference until similarity is proven."

5.2   Study 2: Consumer Trust in Direct Selling and Online Shopping

5.2.1 Introduction

Trust between the parties involved in a business-to-customer (B2C) relationship is crucial for the ultimate success of the relationship, whether the relationship is personal, such as in direct selling, or based on electronics, such as Internet marketing or online shopping. If trust is negative or nonexistent, for example, sales will not be made. Marketing scholars typically examine trust within the context of both business-to-business (B2B) and business-to-customer (B2C) business relationships. Many researchers have examined trust in salespersons (Andaleeb and Anwar 1996; Doney and Cannon 1997; Garbarino and Johnson 1999; Kennedy, Ferrell, and LeClair 2001; MacIntosh 2002; Swan, Bowers, and Richardson 1999; Young and Albaum 2003; Wood et al. 2008). Newell et al. (2011) have investigated the connection between sales behaviors and buyer assessment of salesperson attributes and loyalty. Results support the proposition that consultative task and personal relationship play a vital role in influencing buyer perceptions of expertise, trust, and relationship loyalty. In a study of B2B relationships in two different industries within India, Pakistan, Poland, and the UK by Jiang, Henneberg and Naudé (2011), the findings show that both trust and reliance have significant impact on building relationships with long-term perspectives.

Some studies examine the role of trust in the success of e-tailing (electronic retailing). Harris and Goode (2004) conclude that trust is a pivotal driver of loyalty and is central to service dynamics. Cho (2006) investigates B2C internet exchange relationships by looking at how consumers' evaluations of e-vendor business operations relate to their judgments of trustworthiness and how such judgments shape consumer trust and distrust. Pan and Zinkhan (2006) explore the impact of privacy disclosures on online shoppers' trust in an e-retailer. Mukherjee and Nath (2007) examine the commitment-trust theory (CTT) of relationship marketing in the online retailing context. These researchers basically conclude that CTT applies to online retailing, but that the CTT model needs to be modified somewhat. Gupta et al. (2009) develop a model that delineates the relationships among a seller's provision of interactive

product information management and product information comprehension tools, a buyer's perceptions of a seller's assistive intent, and the buyer's initial trust in the online or offline seller. Our present study explores trust in both direct selling and online shopping in mainland China. Since this is the first study to examine these two approaches to retailing in the same study, the overall study can be viewed as an exploratory research.

On a formal level, direct selling is defined as the personal contact between a salesperson who is an independent contractor and a consumer away from a fixed business location, such as a retail store (Peterson and Wotruba 1996). To a large extent, online shopping and direct selling are competing forms of retailing for purchases by consumers, although some direct selling independent contractors may use the Internet to contact potential customers. In the United States, almost two-thirds of direct selling buyers made purchases via the Internet (Gregg 2015). On a broader scale, technology and the use of social media platforms such as YouTube, Twitter, and Facebook are being used more by direct selling companies. These findings are appearing in many countries which means there is an effect upon international marketing.

China as a Market for Online Shopping and Direct Selling

China is a good market to explore trust in these approaches to marketing. It is the world's second biggest consumer economy, its people are the world's biggest shoppers abroad (including direct selling), and is the world's biggest e-commerce market (*The Economist* 2014). Consequently, international marketers are interested in what is happening in China. Both direct selling and online shopping in China are heavily regulated by the Chinese government, although the regulations have been softened recently. This study looks at these two approaches to marketing in a non-Western nation/culture, which should be of interest to companies that are internationally inclined as well as local domestic companies. In fact, according to *The Economist* (2011), China is the world's fastest growing retail market. A study by Uncles (2010) discusses the retail change in China and concludes with a discussion of the future of retailing in China. Interestingly, another study reported that in the year 2012, there were

242 million people shopping online in China (News.xinhuanet.com 2013). China is now the second biggest market (after the United States) with sales of US$32.0 billion in 2014 (Tortora 2015). It has been reported that the Chinese government wanted online shopping to account for more than 5 percent of China's total retail sales by the end of 2015 (Tortora 2015). Nowadays a large number of Chinese consumers, particularly young people, are now buying products through Taobao.com, Tmall.com or JD.com (Jingdong Mall), instead of Amazon.com.

According to Euromonitor International (2016), direct selling in China has continued to post an outstanding performance in 2015, having a value growth of 10%. In addition, more and more new players have acquired licenses for direct selling in China. Many direct selling companies like Amway, Avon, Mary Kay Cosmetics and Nu Skin have been operating in China for many years. Owing to the door-to-door selling approach and the involvement of pyramid schemes, direct selling was banned by the Chinese government in 1998. People were easily confused with genuine direct selling companies and the pyramid scams. However, the ban was lifted in late 2005 and the direct selling companies have been required to formally register and operate in a proper way (Herndon 2008).

5.2.2 Nature of Trust

Trust has been defined in a number of ways: a generalized expectancy held by an individual toward others (Rotter 1967); a willingness to rely on an exchange partner in whom one has confidence (Arnott 2007; Moorman, Deshpande, and Zaltman 1993; Moorman, Zaltman, and Deshpande 1992); the overall perception of an individual with regards to the credibility and benevolence of the group of people representing the partner firm in the relationship (Doney and Cannon 1997; Jiang, Henneberg, and Naudé 2011). Since we use a measure of trust developed by Young and Albaum (2003), their definition is the underlying foundation of the present study:

> [Trust is] an evolving affective state including both emotional and

cognitive elements and emerges from the perceptions of competence and a positive, caring motivation in the relationship partner to be trusted, and functions to increase the propensity to manage risk in the relationship of parties' shared environment (Young and Albaum 2003).

A more detailed discussion of trust is provided by Poon, Albaum and Chan (2012). A recent study by Palmer and Huo (2013) built a theory of trust developed within the context of social network media in which four dimensions of trust emerged (i.e., ability, benevolence, integrity, and predictability). Another approach is used by Sekhon et al. (2014) who frame trustworthiness as the key upstream construct of trust, and that trustworthiness impacts both the cognitive and affective dimensions of trust. Evans and Krueger (2014) argue that rational decisions depend on potential outcomes and expectations of reciprocity. There researchers concluded that trust decisions were more sensitive to changes in risk rather than expectations, even after accounting for their differing effects on the subjective value of trust (Evans and Krueger 2014).

Trust has been studied in the context of its effect upon loyalty and brand performance. Representative studies are those by Lantieri and Chiagouris (2009) who studied macro level issues and trends that can influence consumer trust in specific brands, and the more recent study by Veloutsou (2015) which found that the strength of the consumer brand relationship is a very strong predictor of brand loyalty. An interesting study is that by Orth, Bouzdine-Chameeva, and Brand (2013) who looked at whether a salesperson's touch of a consumer increases trust. These researchers found that touch relates to greater trust only when consumers have an inherent need for touch or when they are from a culture where personal touching behavior is less prevalent. Like other studies, these researchers report that trust relates positively to evaluation of product attractiveness, quality, and to purchase intention. Similarly, Kooli, Mansour, and Utama (2014) reported in a study of online consumers in Indonesia that purchase online is significantly influence by online trust, and that there is a significant impact of personality-based trust, cognitive-based

trust, and institutional-based trust on online trust. A recent study of installed online trust, as contrasted to initial online trust, reported that the website features—design, perceived security/privacy, and information quality—as well as quality of support positively affect installed online trust (Rajaobelina et al. 2014).

In a study directly related to international marketing, particularly strategic alliance formation, Jensen, Palangkaraya, and Vitale (2015) looked at the question of whether differences in *ex ante* trust between the two parties where the purchase of technology and technology rights affect the likelihood that negotiations would be successful. Not surprisingly, results were that trust matters. Another study related to international marketing looked at the relationship between country effect and brand trust (Rosenbloom and Haefner 2009). The specific goal of the study was to examine the notion of global brands, perceived brand globalness (PBG), country of origin (COO), consumer ethnocentrism (CET), and brand trust to determine how the interactions of these factors would affect global marketing strategy. Jiang, Henneberg and Naudé (2011) investigated the levels of trust and reliance in different international business markets, and found that both trust and reliance are significant for building relationships with long-term perspectives.

As a matter of fact, studying trust needs to be sensitive to social context (Lane and Bachmann 1996). Fukuyama (1995) claims that China is a "low trust" society but economic relations are strongly dependent on trust there. The Chinese cultural characteristics are particularism and insistence on building up trust through cultivating personal relationships (Hickson and Pugh 2001; Trompenaars 1993). This is the essence of what the Chinese people call *Guanxi*. The Chinese do not easily extend trust outside their familiar social circles. It is crucial for e-retailers and direct selling companies to establish social networks with potential customers in the Chinese culture.

There are many measures of trust that could have been used in the present study. Many of these are inappropriate for the present study as they have dealt primarily with measuring organizational trust or trust in inter-organizational settings (Young and Albaum 2003). Others have been developed to fit a

definition given for trust. Our choice of measures of trust to use is based on their being easy to understand and their being suitable for direct selling and online shopping. In fact, these measures have in one way or another been used in a direct selling context with high internal consistency reliability (Young and Albaum 2003). Only minor wording changes were necessary for the measures to be appropriate for an online shopping context.

There has been some research concerned with trust in direct selling relationships. Representative studies are those by Merrilees and Miller (1999), Young and Albaum (2003), and Poon, Albaum and Chan (2012). Much of this research has been conducted in Hong Kong, Australia, and/or the United States. What has not been studied empirically is trust in online shopping, although the work of Winch and Joyce (2006) discusses conceptually building and losing trust in B2C online shopping. Consumer buying on the Internet in general has been studied (Cheung, Chan, and Limayem 2005; Forrester Consulting 2009; Jarvenpaa, Tractinsky, and Vitale 2000; Li and Zhang 2002; Morganosky and Cude 2000; Perea y Monsuwé, Dellaert, and de Ruyter 2004; Pomirleanu et al. 2013; Shergill and Chen 2005). In addition, Peterson, Albaum, and Ridgway (1989) found that US consumers perceive a greater risk in purchasing from a direct seller than in purchasing from a retail store or mail-order catalog.

A recent study by Clemes, Gau, and Zhang (2014) reported on an empirical analysis of online shopping in Beijing, China. The analysis identifies the following important decision factors: perceived risk, consumer resources, service quality, subjective norms, product variety, convenience, and website factors. All these affect Chinese consumers' adoption of online shopping. On a more general level, there has been increasing research interest in China. For example, Ho, Lau, and Young (2012) discussed the key attributes of Chinese corporate governance and regulations concerning shareholders' rights, and Tang and Babich (2014) discuss using social and economic incentives to discourage Chinese suppliers from product adulterations. An interesting situation has emerged in China, influenced by the social media revolution characterized by user sharing and collaboration, in that the trend of social consumption has been encapsulated by online group buying (Zhang and Tsai 2015). The findings from this research are limited to the young, educated, and

Internet-savvy consumers (Zhang and Tsai 2015). The present study continues this trend by examining trust in two different marketing modes.

5.2.3 Research Questions

The main objective of the present study is to examine and contrast trust in relationships between consumers and sales persons and sales organizations in direct selling and online shopping in China. Two different measures of trust are used (i.e., Cognitive Trust and Organization Trust). The research is designed as a type of exploratory study that could guide future research using larger samples in China and/or other cultures/nations. Specifically, the study addresses the following research questions:

RQ1: Do consumers feel more trust in buying from a direct selling salesperson than on a website?

RQ2: Do consumers feel more trust in buying from a direct selling company than from an online company?

RQ3: Is there a difference in relative level of trust between the cognitive trust and organization trust?

RQ4: Is there a difference in trust attitude for each marketing approach due to gender, age, and/or income?

RQ5: Which measure of trust is a better predictor of behavior?

5.2.4 Methodology

A questionnaire survey of two sample groups of consumers in China was conducted by personal interviews using a mall-intercept approach.

5.2.4.1 Sample

The resulting convenience samples were obtained in the major cities in China. A total of 204 samples were obtained for analysis. Since the overall study was designed as exploratory in nature, it was decided that having geographically broad-based samples would be desirable. The use of two separate samples can improve the reliability of this research. Sample 1 was obtained from the southern cities while sample 2 was obtained from the northern cities. The demographic characteristics of the obtained sample are shown in Table 5.7. Briefly, the samples can be described as follows:

Sample 1 (N=84): male and female, young, college education, unmarried, student or professional, wide range in income.

Sample 2 (N=120): mostly female, young, college education, unmarried, mostly student, low income.

The overall sample is adequate for satisfying the ultimate objective of the present study, which is to measure consumer trust in direct selling and online shopping.

Table 5.7

Sample Demographics (Study 2)

Demographic characteristic	Sample 1[a]		Sample 2[b]	
	N	Percent Distribution	N	Distribution
Gender				
Female	50	59.5	92	76.7
Male	34	40.5	28	23.3
Age				
18 to 26 years	26	31.0	66	55.0
27 to 35 years	58	69.0	54	45.0
Education				
College	4	4.8	18	15.0
Graduate or above	80	95.2	102	85.0
Marital Status				
Unmarried	66	78.6	90	75.0
Married	18	21.4	30	25.0
Occupation				
Professional	38	45.2	46	38.3
Student	27	32.1	50	41.7
Others	18	21.5	24	20.0
Unemployed	1	1.2	0	0.0
Monthly Income[c]				
Below 5,000 RMB	9	10.7	22	18.3
5,000-9,999 RMB	67	79.8	84	70.0
10,000-14,999 RMB	5	5.9	7	5.9
15,000 RMB and above	2	2.4	7	5.9
Unknown (not reported)	1	1.2	0	0.0

[a]Total sample: N=84

[b]Total sample: N=120

[c]Exchange rate: € 1 = RMB 7.36

5.2.4.2 Measurement

Two approaches to the measurement of trust were used for both direct selling and online shopping. Each measurement consisted of a set of 7-point Likert scales of agreement (1 = strongly disagree, 7 = strongly agree). One measure is the 11-item Cognitive Trust scale concerned with direct selling adapted from that originally developed by Young and Albaum (2003) and subsequently applied by Poon, Albaum and Chan (2012) and Luk, Albaum and Fullgrabe (2013). Examples are as follows:

- ▪ I have confidence in the fairness and honesty of this salesperson.
- ▪ The relationship between this salesperson and myself is characterized by mutual trust.
- ▪ This salesperson behaves in a trustworthy manner toward me.

The same 11 scale items were used to measure trust in online shopping by substituting "website" for "salesperson".

The second measure of trust, which we call Organization Trust, includes three items for measuring trust. These are as follows:

- ▪ The salesperson worked for a reputable business.
- ▪ I feel confidence in the organization where the salesperson worked.
- ▪ I trusted the organization to stand behind its products sold through direct selling.

For the application to online shopping the term "website" was substituted for "salesperson" and the term "online or Internet" was substituted for "direct selling". In addition to measuring trust, a measure of purchasing behavior by the two marketing methods or approaches was obtained.

Table 5.8

Consumer Shopping Behavior[a]

Marketing Method	Sample 1[a]		Sample 2[b]	
	Number	Percent Distribution	Number	Percent
Online Shopping	(N=84)		(N=120)	
Never purchase	8	9.5	4	3.3
Purchased more than 12 months ago	10	11.9	52	43.4
Purchased in recent 12 months	26	31.0	12	10.0
Purchase often	40	47.6	52	43.3
Direct Selling	(N=84)		(N=120)	
Never purchase	48	57.1	90	75.0
Purchased more than 12 months ago	17	20.2	9	7.5
Purchased in recent 12 months	15	17.9	19	15.8
Purchase often	4	4.8	2	1.7

[a]$\chi^2 = 3.69$, $p < .72$.

[b]$\chi^2 = 9.42$, $p < .41$.

5.2.5 Results

This study explores trust in direct selling and online shopping, and compares the two marketing methods to assess any differences in consumer views. Respondents were asked about purchasing any product through direct selling and online shopping using a 4-point scale of purchase behavior. Table

5.8 shows that the respondents did more purchasing on the Internet than they did through direct selling. The relationship between consumer purchases by the two methods of marketing (i.e., direct selling vs. online shopping) is not statistically significant for either sample. Purchasing behavior in each marketing method by each sample did not vary statistically by gender or age. Also, in Sample 1, purchasing behavior for online shopping was not affected by income, but for direct selling there was a difference ($p < .05$) where those with higher incomes purchased more frequently. In Sample 2, purchasing behavior in direct selling was not affected by income.

Consumer Trust

As mentioned above, two measures of trust were used which we called Cognitive Trust and Organization Trust. The measure of Cognitive Trust consisted of 11 items scaled as 7-point Likert scales of agreement. As shown in Table 5.9a, there are significant differences in Sample 1 respondents' feeling of trust in direct selling and online shopping. Overall, respondents felt a greater level of trust in the direct selling salesperson than in the online shopping or e-retailer website for the total Cognitive Trust measure and for 9 of the 11 individual scale items, and the difference was highly significant. The only exception is item *d.2* ($p > .05$) and the question was "The relationship between this salesperson (website) and myself is characterized by good personal relationship between us". Results by gender did not differ significantly ($p > .25$ in both instances) nor did they differ by age ($p > .20$) or income ($p > .11$).

For Sample 2, in contrast, respondents felt a significantly greater level of trust in online shopping website than in direct selling for the overall Cognitive Trust measure and for 8 of the 11 individual scale items (see Table 5.9b). The only exception is question or item *h* ($p > .05$) and the question was "This salesperson (website) has the desire to maintain a good trading relationship with me". The opposite findings for Sample 2 probably is largely due to the sample being much younger in age and having over 75% reporting that they have never purchased from direct selling. Like sample 1, however, results by gender ($p < .41$), age ($p < .96$), and income ($p < .92$) did not differ.

The coefficient alpha (α) of Cognitive Trust measures exceeded the minimum value of 0.7 suggested by Nunnally and Bernstein (1994) though Peterson's (1994) meta-analysis report of alpha in the marketing and consumer behavior literature where the mean value was 0.77. Internal consistency reliability for the Cognitive Trust measure is acceptable (see Tables 5.9a and 5.9b). For Sample 1, the total Cognitive Trust in online shopping was significantly smaller than in direct selling (M = 37.92 vs. 48.0; t = 6.29, p <.001). In contrast, the opposite finding was found for Sample 2, in which the total Cognitive Trust in online shopping was significantly greater than in direct selling (M = 50.25 vs. 43.72; t = 4.72, p <.001).

The Organization Trust measure for direct selling (or online shopping) is very simple, consisting of only three items scaled as 7-point Likert scales. Results are shown in Table 5.10. For Sample 1, there was a significant difference (p <.001) between trust in direct selling and online shopping for the first two items, and the greater level of trust was in online shopping. The first two items were: "The salesperson worked for (or website represented) a reputable business" and "I had confidence in the organization when the salesperson worked (or the website represented). Significant difference (p <.001) was also found for the first two items in Sample 2. However, significant difference for the third item was found in Sample 2 as well. The third item was "I trusted the organization to stand behind its products sold through direct selling (or Internet)".

When total Organization Trust was analyzed with Sample 1, the value for online shopping was not significantly greater than that for direct selling (M = 12.6 vs. 10.1, t = 4.76, p >.05). However, for Sample 2, the total Organization Trust in online shopping was significantly greater than in direct selling (M = 13.7 vs. 10.7, t = 5.74, p <.001). These results are a bit different from the measure of Cognitive Trust. What is common between the two measures is that results for Organization Trust did not vary by gender (p >.55), age (p >.50, or income (p >.93).

In fact, internal consistency for Sample 1 was relatively low for Organization Trust: direct selling (α = .632), online shopping (α = .457). For

Sample 2, coefficient alpha scores were: online shopping ($\alpha = .606$) and direct selling ($\alpha = .843$). All Alpha values are acceptable as the scale for each consisted of only three items. Research has shown that alpha increases as the number of scale items increases (Cortina 1993; Iacobucci and Duhachek 2003).

Predicting Behavior

It is not clear from the above discussion whether Cognitive Trust or Organization Trust is a better measure of trust. One approach to determining the better measure is to see which measure is most related to behavior. Using past behavior as a measure, the correlation between each of the trust measures and previous shopping by Internet (online shopping) and direct selling was computed.

The results are shown below:

	Sample 1	Sample 2
Internet/Cognitive Trust	$r = .155, p < .34$	$r = .307, p < .02$
Direct selling/Cognitive Trust	$r = .136, p < .41$	$r = .118, p < .37$
Internet/Organization Trust	$r = .085, p < .61$	$r = .287, p < .03$
Direct selling/Organization Trust	$r = .132, p < .43$	$r = .213, p < .11$

For Sample 1, neither trust measure was a good predictor, whereas for Sample 2 both trust measures are significantly correlated with past behavior in online shopping (Internet) situation ($p < .05$). The different findings between Sample 1 and Sample 2 may be due to the differences in the profile of respondents. Sample 2 consists of more female university students with lower average income.

Table 5.9a

Mean Values of Measurement of Cognitive Trust (Sample 1)

Scale Item[a]	Marketing Method		*t*	*p*
	Direct Selling (N=84)	Online Shopping (N=84)		
a. I have confidence in the accuracy of the information I get from this salesperson (website)	3.85	2.66	5.20	<.001
b. I have confidence in the fairness and honesty of this salesperson (website)	4.10	2.63	6.97	<.001
c. I can always rely on being informed early enough by this salesperson (website) about new product which I might be interested in	5.29	3.71	6.66	<.001
d. The relationship between this salesperson (website) and myself is characterized by:				
d.1 mutual trust	4.39	3.44	4.25	<.004
d.2 good personal relationship between us	3.34	3.90	-1.96	<.06
d.3 confidence in each other	4.61	3.68	3.36	<.003
d.4 high levels of commitment to the relationship	4.37	3.46	3.07	<.005
e. This salesperson (website) behaves in a trustworthy manner toward me	4.44	3.27	4.63	<.001
f. I trust this salesperson (website)	3.90	2.76	4.61	<.001
g. This salesperson (website) is only concerned with promoting his/her own interests	5.22	3.24	8.71	<.001

h. This salesperson (website) has the desire to maintain a good trading relationship with me	4.49	5.17	-3.20	<.003
Total Cognitive Trust	48.07	37.92	6.29	<.001
Coefficient Alpha	.912	.861		

[a]Items scaled with 7-point, where 1=strongly disagree and 7= strongly agree.

The greater the value, the more trustworthy.

Table 5.9b

Mean Values of Measurement of Cognitive Trust (Sample 2)

Scale Item[a]	Marketing Method		t	p
	Direct Selling (N=120)	Online Shopping (N=120)		
a. I have confidence in the accuracy of the information I get from this salesperson (website)	3.52	4.25	3.310	<.003
b. I have confidence in the fairness and honesty of this salesperson (website)	3.33	4.48	5.669	<.001
c. I can always rely on being informed early enough by this salesperson (website) about new product which I might be interested in	3.78	5.20	6.042	<.001
d. The relationship between this salesperson (website) and myself is characterized by:				
d.1 mutual trust	3.97	4.87	4.411	<.001
d.2 good personal relationship between us	4.07	3.32	3.296	<.003
d.3 confidence in each other	4.15	4.65	2.249	<.03
d.4 high levels of commitment to the relationship	3.77	4.37	2.950	<.006
e. This salesperson (website) behaves in a trustworthy manner toward me	3.23	4.88	5.495	<.001
f. I trust this salesperson (website)	4.43	4.25	4.164	<.001
g. This salesperson (website) is only concerned with				

promoting his/her own interests	5.08	5.17	3.369	<.002
h. This salesperson (website) has the desire to maintain a good trading relationship with me	4.38	4.82	1.204	<.24
Total Cognitive Trust	43.72	50.25	4.718	<.001
Coefficient Alpha	.877	.875		

[a]Items scaled with 7-point, where 1=strongly disagree and 7= strongly agree.

The greater the value, the more trustworthy.

Table 5.10

Mean Values for the Measure of Organization Trust

Scale Item[a]	Sample 1 (N=84)	Sample 2 (N=120)
The salesperson worked for a reputable business	2.71	3.03
The website represented a reputable business	3.76	4.13
t	4.94	4.86
p	<.001	<.001
I had confidence in the organization where the salesperson worked	3.60	3.67
I had confidence in the organization the website represented	5.02	4.97
t	6.17	6.87
p	<.001	<.001
I trusted the organization to stand behind its products sold through direct selling	3.83	3.98
I trusted the organization to stand behind its products sold through the Internet	3.79	4.60
t	.185	2.66
p	<.86	<.02
Total Organization Trust		
Direct selling	10.1	10.7
Online shopping	12.6	13.7
t	4.76	5.74
p	<.86	<.001

[a]Items scaled with 7-point, where 1=strongly disagree and 7=strongly agree.

The greater the value, the more trustworthy.

5.2.6 Discussion

This study reports on a study of measuring trust in direct selling and in online shopping relationships. Two measures of trust—Cognitive Trust and Organization Trust—were used to assess attitudes toward trust from two samples of consumers in China. The results of this study do, however, suggest the following answers to the research propositions raised:

Proposition 1: Consumers feel more trust in buying from a direct selling salesperson than on a website.

Proposition 2: There is no difference in relative level of trust from the two trust measures.

Proposition 3: There is no difference in trust attitude for each marketing approach due to gender.

Proposition 4: There is no difference in trust attitude for each marketing approach due to age.

Proposition 5: There is no difference in trust attitude for each marketing approach due to income.

Proposition 6: Measurement of consumer trust cannot serve as a good predictor of actual behavior.

In addition to the small sample size limitation, the study reported is limited to one country/culture. Since direct selling and online shopping are marketing methods or approaches used worldwide, examining trust in other countries/cultures in both the Western and non-Western worlds is needed. The present essay is a good starting point. For instance, people with high risk aversion tend to feel threatened by risky and ambiguous situations (Hofstede,

Hofstede, and Minkov 2010). They may be skeptical and have a lower level of trust in direct selling and online shopping. In a collectivistic society like China, Chinese consumers tend to discourage risk-taking behavior (Tse 1996). Therefore, it is important for direct selling and online shopping companies to have measures to lower the perceived risk in the business transaction. E-retailers such as Taobao.com and JD.com in China have warranty policies to protect the consumers so as to lower the perceived risk of online shopping.

The managerial implications of this research are obvious. If trust in the organization is low, then a company needs to change its behavior and/or its advertising to convince potential consumers it is trustworthy and reasonable to do business with. If trust in the salesperson (Cognitive Trust) is below a level deemed proper, then salesperson training needs to be adjusted and/or salespersons need to be let go. For online shopping, the way it is presented to consumers may have to be changed. Although there may be no difference in consumer trust in buying from a company on Internet versus a direct selling company, consumers tend to feel more trust in buying from a direct selling salesperson than a website. Internet marketing or online shopping companies should find ways to facilitate consumer trust. Relationship marketing and enhancement of customer interaction with good website design are suggested.

5.3 General Discussion and Conclusion

In general, this research examines trust in direct selling and online shopping by two distinct but related studies. The two studies are exploratory in nature. The results of Study 1 show that there are six dimensions of interpersonal trust (namely variability, consistency, reliability, benevolence, behavior, and honesty) in the buy-seller relationship in direct selling. However, no major trust dimension significantly affects the repurchase intention for a direct selling product through the same salesperson. In addition, the ability to shop at home is found to have the highest rating of direct selling. The results support the hypotheses that direct selling is not viewed as the major source of risk in buying from retailers (H1) and ability to shop at home is the major advantage

of buying from a direct selling company (H2). Therefore, H1 and H2 are supported. However, H3 (i.e., dimensions of trust are significantly related to intention to purchase from direct selling company) is not supported. Study 1 is the first research attempt to investigate the effects of different dimensions of interpersonal trust on consumer buying behavior under a direct selling situation in Asia. It may serve as a foundation for studying the applicability and usefulness of all trust measures in other non-Western nations as well as Western nations.

Study 2 is the first attempt to examine consumer trust in both direct selling and online shopping situations in China. Two different measures of trust (i.e., cognitive and organization trusts) were used to examine consumer trust under the two shopping situations. The results show that the two measures of trust may not be good predictor of consumer trust level for direct selling and online shopping. Future research about the measurement scale of trust for the two shopping situations is suggested. However, the results of this study suggest that consumers feel more trust in buying from a direct selling salesperson than on an online shopping website. In addition, there is no difference in relative level of trust from the two trust measures, and there is no difference in trust attitude for each marketing approach due to demographics (such as gender, age, income). In fact, measurement of consumer trust may not serve as a good predictor of actual buying behavior. A number of propositions are suggested in this study. Future research may attempt to examine those suggested propositions.

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Appendix

Stimulus Pictures Used in the Study (Essay 1)
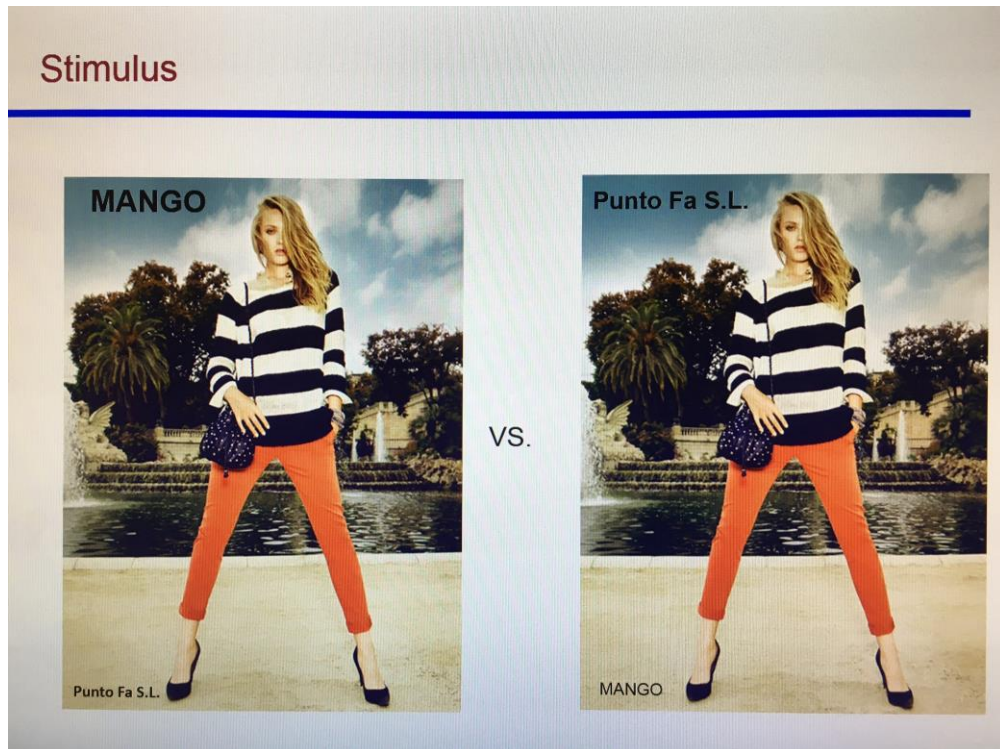
| CBD = low | CBD = high |

Stimulus Pictures Used in the Study (Essay 1)

Measurements (Essay 1)

Construct	Measures
Locus of causality attribution (7-point Likert scale)	The firm was responsible for the negative event. The firm should be blamed for the negative event. The firm did contribute to the unpleasant outcome.
Controllability attribution (7-point Likert scale)	The negative incident was controllable by the firm. Nobody in this firm could have stopped the incident from happening. Little could be done by this firm to stop what happened in the incident.
Favorableness of the event (7-point differential scale)	Do you think about the favorableness of this event?
Familiarity with the brand (7-point differential scale)	Are you familiar with the brand?
Reputation of brand (7-point differential scale)	What do you think about the reputation of the brand?

Measurements (Essay 2)

Construct	Measures
Study 1:	
[a.] Perceived Quality	I think the overall quality of this brand is: Very bad … Very good Poor… Excellent Unacceptable… Acceptable
[c.] Face Concern	I care about praise and criticism from others. I care about others' attitudes toward me. I hate being taken lightly. I will be very happy if I am treated with respect.
Study 2:	
[b.] Purchase Intention	I will eat at this restaurant. I will reserve a table at this restaurant. I will not go to this restaurant (R).
[b.] Positive WOM	I will encourage my friends and relatives to go to this restaurant. If someone is looking for a restaurant, I will recommend him/her to go to this this restaurant. I will say positive things about this restaurant.
[c.] Face Concern	I care about praise and criticism from others. I care about others' attitudes toward me. I hate being taken lightly. I will be very happy if I am treated with respect.
Study 3:	
[b.] Purchase Intention	I am willing to stay at this hotel. I am willing to book this hotel. I will not make an effort to stay at this hotel (R).
[b.] Positive WOM	I will encourage my friends and relatives to stay at this hotel. If someone is looking for a hotel, I will recommend him/her to stay at this hotel. I will say positive things about this hotel.

| [c.] Face Concern | I care about praise and criticism from others.
I care about others' attitudes toward me.

I hate being taken lightly.
I will be very happy if I am treated with respect. |

Notes: a. Constructs are measured by 7-point semantic differential items.
  b. Constructs are measured by 7-point items anchored from strongly disagree (1)
     to strongly agree (7).
  c. Constructs are measured by 10-point items anchored from strongly disagree (1)
     to strongly agree (10).
  d. R = reverse-coded item.

Stimulus Pictures Used in Study 1 (Essay 2)

Stimulus Pictures Used in Study 2 (Essay 2)

Stimulus Pictures Used in Study 3 (Essay 2)

Sample Questionnaire (Essay 2)

<u>ONLINE SURVEY ON HOTEL BRANDS</u>

Part A:

1. I perceive the quality of a socially responsible hotel brand is:

Very bad						Very Good
1	2	3	4	5	6	7

2. If a hotel brand concerned about improving the well-being of society, I think the quality of this brand is:

Very bad						Very Good
1	2	3	4	5	6	7

3. I perceive the quality of a hotel brand with high ethical standards is:

Very bad						Very Good
1	2	3	4	5	6	7

4. I perceive the quality of a hotel brand with high eco-savings practices is:

Very bad						Very Good
1	2	3	4	5	6	7

5. I perceive the quality of a green hotel brand is:

Very bad						Very Good
1	2	3	4	5	6	7

Part B:

We are interested in your opinions on different aspects of everyday life. There are no right or wrong answers. Please <u>circle</u> the numbers that indicate how strongly you

agree or disagree with the following statements.

1 = Strongly disagree
10 = Strongly agree

I care about praise and criticism from others.   1 2 3   4 5   6   7 8   9 10

I care about others' attitudes toward me.   1 2 3   4 5   6   7 8   9 10

I hate being taken lightly.   1 2 3   4 5   6   7 8   9 10

I will be very angry if others are impolite to me.   1 2 3   4 5   6   7 8   9 10

I will be very happy if I am treated with respect.   1 2 3   4 5   6   7 8   9 10

I will be very upset if I am criticized in public.   1 2 3   4 5   6   7 8   9 10

Part C:

General Background Information (Please circle or write in your answers to the following questions):

1.   You are:
     a. male   b. female

2.   Your age is:
     (a.) below 18   (b.) 18 to 23   (c.) 24 to 29   (d.) 30 to 35   (e.) above 35

3.   You were born in: _____ (City of China);

4.   You are now working in which city: _____

Experimental Scenarios and Measures for Study 2 (Essay 3)

Scenario 1 (very satisfied experience and small reward):

Please imagine: you bought a pair of jeans from one seller via Taobao.com, which costed you RMB 300. You received the pair of jeans after three days. When you open the package, you find that the color of this jeans is totally coherent with the picture shown on the seller's website, the size also fits you well and you look pretty good when putting it on. No doubt, it is a genuine one. You are very satisfied with the shopping experience. At this time, you find a card which is also sent from the seller. The card reads "Dear buyer, we are looking forward to your positive review! If you give us a five-star positive review with more than 10 words of positive comments, and send the review screenshot to our customer service specialist, you can get RMB 5 refund to your account of Alipay right now!"

请想象：你在淘宝的一个卖家处花 300 元邮购了一条牛仔裤，过了 3 天就收到了，打开包装后，发现实物的颜色款式跟网店图片完全一致，尺码也正合适，穿上效果非常好，正品无疑。这时，你发现包装中还有一张卖家随裤子寄来的卡片，上面写着"亲，我们期待你的好评哦！只要给出全 5 星评价并写下 10 字以上的好评，截图给客服，就可立刻得到支付宝返现 5 元！"

Scenario 2 (very satisfied experience and big reward):

Please imagine: you bought a pair of jeans from one seller via Taobao.com, which costed you RMB 300. You received the pair of jeans after three days. When you open the package, you find that the color of this jeans is totally coherent with the picture shown on the seller's website, the size also fits you well and you look pretty good when putting it on. No doubt, it is a genuine one. You are very satisfied with the shopping experience. At this time, you find a card which is also sent from the seller. The card reads "Dear buyer, we are

looking forward to your positive review! If you give us a five-star positive review with more than 10 words of positive comments, and send the review screenshot to our customer service specialist, you can get RMB 30 refund to your account of Alipay right now!"

请想象：你在淘宝的一个卖家处花 300 元邮购了一条牛仔裤，过了 3 天就收到了，打开包装后，发现实物的颜色款式跟网店图片完全一致，尺码也正合适，穿上效果非常好，正品无疑。这时，你发现包装中还有一张卖家随裤子寄来的卡片，上面写着"亲，我们期待你的好评哦！只要给出全 5 星评价并写下 10 字以上的好评，截图给客服，就可立刻得到支付宝返现 30 元！"

Scenario 3 (very dissatisfied experience and small reward):

Please imagine: you bought a pair of jeans from one seller via Taobao.com, which costed you RMB 300. You received the pair of jeans after three days. When you open the package, you find that the color of this jeans is totally different from the picture shown on the seller's website, the manufacturing quality is not good, and the fabric quality is very bad. You are very dissatisfied with the shopping experience. At this time, you find a card which is also sent from the seller. The card reads "Dear buyer, we are looking forward to your positive review! If you give us a five-star positive review with more than 10 words of positive comments, and send the review screenshot to our customer service specialist, you can get RMB 5 refund to your account of Alipay right now!"
(Note: If the buyer chooses to return the product, the buyer needs to pay a delivery cost of RMB 30 based on Taobao.com policy.)

请想象：你在淘宝的一个卖家处花 300 元邮购了一条牛仔裤，过了 3 天就收到了，打开包装后，发现实物的颜色跟网店图片有很大不同，且做工粗糙，面料手感极差，总之效果被网店图片甩了好几条街。这时，你发现包装中还有一张卖家随裤子寄来的卡片，上面写着"亲，我们期待你的好评哦 !只要给出全 5 星评价并写下 10 字以上的好评 截图给客服，就可立刻得到支付宝返现 5 元！"

(注：此种情况下，如果选择退货，按淘宝及卖家政策，需支付卖家往返邮费 30 元！)

Scenario 4 (very dissatisfied experience and big reward):

Please imagine: you bought a pair of jeans from one seller via Taobao.com, which costed you RMB 300. You received the pair of jeans after three days. When you open the package, you find that the color of this jeans is totally different from the picture shown on the seller's website, the manufacturing quality is not good, and the fabric quality is very bad. You are very dissatisfied with the shopping experience. At this time, you find a card which is also sent from the seller. The card reads "Dear buyer, we are looking forward to your positive review! If you give us a five-star positive review with more than 10 words of positive comments, and send the review screenshot to our customer service specialist, you can get RMB 30 refund to your account of Alipay right now!"
(Note: If the buyer chooses to return the product, the buyer needs to pay a delivery cost of RMB 30 based on Taobao.com policy.)

请想象：你在淘宝的一个卖家处花 300 元邮购了一条牛仔裤，过了 3 天就收到了。打开包装后，发现实物的颜色跟网店图片有很大不同，且做工粗糙，面料手感极差，总之效果被网店图片甩了好几条街。这时，你发现包装中还有一张卖家随裤子寄来的卡片，上面写着"亲，我们期待你的好评哦 !只要给出全 5 星评价并写下 10 字以上的好评 ,截图给客服，就可立刻得到支付宝返现 30 元 !"
(注：此种情况下，如果选择退货，按淘宝及卖家政策，需支付卖家往返邮费 30 元！)

Scenario 5 (slight dissatisfied experience and small reward):

Please imagine: you bought a pair of jeans from one seller via Taobao.com, which costed you RMB 300. You received the pair of jeans after three days. When you open the package, you find that the color of this jeans is a little bit

different from the picture shown on the seller's website, the manufacturing quality is a bit disappointed, and the fabric quality is not as expected. However, the overall quality is only a bit below expectation. You are only slightly dissatisfied with the shopping experience. At this time, you find a card which is also sent from the seller. The card reads "Dear buyer, we are looking forward to your positive review! If you give us a five-star positive review with more than 10 words of positive comments, and send the review screenshot to our customer service specialist, you can get RMB 5 refund to your account of Alipay right now!"

(Note: If the buyer chooses to return the product, the buyers needs to pay a delivery cost of RMB 30 based on Taobao.com policy.)

请想象：你在淘宝的一个卖家处花 300 元邮购了一条牛仔裤，过了 3 天就收到了。打开包装后，发现实物的颜色跟网店图片有点出入，做工也稍微有点粗糙，穿上后没有想象中的好，但也凑合。这时，你发现包装中还有一张卖家随裤子寄来的卡片，上面写着"亲，我们期待你的好评哦！只要给出全 5 星评价并写下 10 字以上的好评，截图给客服，就可立刻得到支付宝返现 5 元！"

(注：此种情况下，如果选择退货，按淘宝及卖家政策，需支付卖家往返邮费 30 元！)

Scenario 6 (slight dissatisfied experience and big reward):

Please imagine: you bought a pair of jeans from one seller via Taobao.com, which costed you RMB 300. You received the pair of jeans after three days. When you open the package, you find that the color of this jeans is a little bit different from the picture shown on the seller's website, the manufacturing quality is a bit disappointed, and the fabric quality is not as expected. However, the overall quality is only a bit below expectation. You are only slightly dissatisfied with the shopping experience. At this time, you find a card which is also sent from the seller. The card reads "Dear buyer, we are looking forward to your positive review! If you give us a five-star positive review with more than 10 words of positive comments, and send the review screenshot to our customer service specialist, you can get RMB 30 refund to your account of

Alipay right now!"

(Note: If the buyer chooses to return the product, the buyers needs to pay a delivery cost of RMB 30 based on Taobao.com policy.)

请想象：你在淘宝的一个卖家处花 300 元邮购了一条牛仔裤，过了 3 天就收到了。打开包装后，发现实物的颜色跟网店图片有点出入，做工也稍微有点粗糙，穿上后没有想象中的好，但也凑合。这时，你发现包装中还有一张卖家随裤子寄来的卡片，上面写着"亲，我们期待你的好评哦！只要给出全 5 星评价并写下 10 字以上的好评，截图给客服，就可立刻得到支付宝返现 30 元！"

(注：此种情况下，如果选择退货，按淘宝及卖家政策，需支付卖家往返邮费 30 元！)

Measures:

(1) Positive review intention (5-point scale)

What is your intention to give the seller all five-star ratings plus some words of positive comments?

请问收到此好评卷后，您是否会接受邀请，给卖家好评并获得奖金？

(2) Trust in seller (5-point scale)

I have an overall trust in this seller.

总的来说，我相信这个卖家。

I generally believe in the review information and comments obtained from this seller's store.

总的来说，我相信这个卖家店里展示的各种评价信息。

In general, I believe in the buyers' recommendations posted on this seller's website.

总的来说，我对这个卖家网店里买家推荐有信心。

(3) Trust in e-retailer review system (5-point scale)

I have an overall trust in the reviews of Taobao.com.

总的来说，我觉得淘宝网的评价信息是可信的。

I generally believe in the review information and comments obtained from Taobao.com.

总的来说，我相信淘宝网上展示出来的各种评价信息。

In general, I believe in the buyers' recommendations posted on Taobao.com.

总的来说，我相信淘宝网上的买家推荐。

Measurement of Altruism for Study 2 (Essay 3)

Self-reported Altruism Scale (5-point):

never	once	more than once	often	very often
从没有过	有过一次	超过一次	经常	频繁

1. I have given directions to a stranger.
   我给陌生人指过路。

2. I have made change for a stranger.
   我给陌生人换过零钱。

3. I have given money to a charity.
   我为灾区或慈善机构捐过款。

4. I have given money to a stranger who needed it (or asked me for it).
   我把钱给过需要帮助的（或是问我要的）陌生人。

5. I have donated goods or clothes to a charity.
   我为灾区或慈善机构捐过衣物。

6. I have donated blood.
   我献过血。

7. I have helped carry a stranger's belongings (books, parcels, etc.).
   我帮陌生人拿过东西（书、行李等）。

8. I have delayed an elevator and held the door open for a stranger.
   我曾在电梯要关门时，为陌生人留过门。

9. I have allowed someone to go ahead of me in a lineup (at Xerox machine, in the supermarket).
   排队时，我曾让赶时间的人插队在我前面（如：超市、复印社等）。

10. I have pointed out a cashier's mistake (in a bank, at the supermarket) in undercharging me for an item.
    收银员少收我钱的时候，我马上指出他们的错误（如：超市、银行等）。

11. I have helped a classmate who I did not know that well with a homework assignment when my knowledge was greater than his or hers.

    我上学时，利用自己的知识帮助过不太熟悉的同学来完成他的功课。

12. I have offered to help a handicapped or elderly stranger across a street.

    我帮助过老年人或残障人士过马路。

13. I have let a neighbor whom I didn't know too well borrow an item of some value to me (e.g., a dish, tools, etc.).

    我借给跟我不太熟的邻居一些有价值的东西（如：盘子、维修工具等）。

14. I have offered my seat on a bus or train to a stranger who was standing.

    我在公交或火车上给陌生人让过座。

Sample Questionnaire for Study 2 (Essay 4)
Chinese Version

网上购物/直销与客户的关系

(A) 问卷简介

在这个调查中，我们想了解一下网上购物和直销(像安利,雅芳等直销公司的业务)与客户之间的关系。例如：你在网上购买一种商品的过程中, 这个购物网站与你建立的关系；或者，你和一个直销推销员面对面的销售行为中建立的关系。

1. 你住在中国哪个地区? _____ (城市／省份)

2. 根据你的经验, 你会通过以下两种直销方式购买商品/服务吗？ 请圈出适当的数字。

	从来没买过	12 个月以前买过	最近 12 个月买过	经常购买
a. 网上购物	1	2	3	4
b. 直销公司(像安利,雅芳等直销公司)	1	2	3	4

3. 请选择你最经常使用或者最信得过的购物网页: (答案可以多于一个)

搜狐网上商城 □   新浪网上商城 □   雅虎中国 □   京东商城 □
其它 (请注明) □ _____

4. 请选出你通常上网购买的商品种类: (答案可以多于一个)

书籍 □   音像制品 □   服装鞋袜 □   电脑软件 □   礼品 □
电子产品 (例如: 电脑, MP3, 数码相机) □   火车票, 船票或飞机票 □
其它 (请注明) □ _____

5. 请选择你曾经购买过的直销商品的品牌: (答案可以多于一个)

安利 □   雅芳 □   美琳凯 □
其它 (请注明) □ _____

6. 请选出你通常会购买的直销商品的种类: (答案可以多于一个)

美容保健产品 □   常用品 □   食品 □   家用电器 □

其它 (请注明) ☐ _____

7. 请细阅每一句句子，然后圈出最能代表你对该描述的同意或不同意程度的数字 (1=非常不同意；2=不同意；3=少许不同意；4=既不同意也不反对；5=少许同意；6=同意；7=非常同意)。

a. 提供网上购物的公司是值得信赖的	1 2 3 4 5 6 7
b. 直销员所代表的公司是值得信赖的	1 2 3 4 5 6 7
c. 我对提供网上购物的公司有信心	1 2 3 4 5 6 7
d. 我对直销员所代表的直销公司有信心	1 2 3 4 5 6 7
e. 提供网上购物的公司会对其产品提供支持或服务	1 2 3 4 5 6 7
f. 直销公司会对其产品提供支持或服务	1 2 3 4 5 6 7

(B) 网上购物
现在我们想了解一下你在一般情况下对网上购物的态度和意见。

8. 请细阅每一句句子，然后圈出最能代表你对该描述的同意或不同意程度的数字(1=非常不同意；2=不同意；3=少许不同意；4=既不同意也不反对；5=少许同意；6=同意；7=非常同意)。

非常 不同 少许 既不 少许 同意 非常
不同 意 不同 同意 同意   同意
意   意 也不
           反对

(a)我对购物网站提供的讯息有信心	1	2	3	4	5	6	7
(b)我对购物网站的公正和诚信有信心	1	2	3	4	5	6	7
(c)透过购物网站，顾客可以常常得到有关产品的最新消息	1	2	3	4	5	6	7

(d)顾客跟购物网站的关系的特色:

d.1 相互信任	1	2	3	4	5	6	7
d.2 良好的私人关系	1	2	3	4	5	6	7
d.3. 对彼此有信心	1	2	3	4	5	6	7
d.4. 对彼此关系有高度的保证承诺	1	2	3	4	5	6	7
(e)顾客信任购物网站	1	2	3	4	5	6	7
(f)购物网站只重视自己公司的利益	1	2	3	4	5	6	7
(g)购物网站渴望维系我和它的良好关系	1	2	3	4	5	6	7
(h)购物网站有能力维系我和它的良好关系	1	2	3	4	5	6	7

9. 如果用以下的形容词来形容你对网上购物的网站的感受, 请圈出最能代表你对该描述的同意或不同意程度的数字(1=非常不同意；2=不同意；3=少许不同意；4=既不同意也不反对；5=少许同意；6=同意；7=非常同意)。

	非常不同意	不同意	少许不同意	既不同意也不反对	少许同意	同意	非常同意
(a) 速度快	1	2	3	4	5	6	7
(b) 安全可靠	1	2	3	4	5	6	7

(c) 有信心   1   2   3   4   5   6   7

(d) 有吸引力   1   2   3   4   5   6   7

(e) 方便快捷   1   2   3   4   5   6   7

(f) 不喜欢   1   2   3   4   5   6   7

(g) 有创意   1   2   3   4   5   6   7

(h) 购物建议充足   1   2   3   4   5   6   7

10. 你是否经常登陆购物网站?   不经常   1   2   3   4   5   6   7 经常

11. 你是否可能考虑上网购物?   不可能   1   2   3   4   5   6   7 可能

(C) 直销 (像安利, 雅芳等直销公司的业务)
现在我们想了解一下你在一般情况下对直销的态度和观念。

12. 请细阅每一句句子，然后圈出最能代表你对该描述的同意或不同意程度的数字(1=非常不同意；2=不同意；3=少许不同意；4=既不同意也不反对；5=少许同意；6=同意；7=非常同意)。

(a)我对直销员提供的讯息有信心   1   2   3   4   5   6   7

(b)我对直销员的公正和诚信有信心   1   2   3   4   5   6   7

(c)透過直銷員，我可以常常得到有關產品的   1   2   3   4   5   6   7
最新消息

(d)顾客跟直销员的关系的特色：

   d.1 相互信赖   1   2   3   4   5   6   7

   d.2 良好的私人关系   1   2   3   4   5   6   7

   d.3. 对彼此有信心   1   2   3   4   5   6   7

   d.4. 对彼此关系有高度的保证和承诺   1   2   3   4   5   6   7

(e)直销员对顾客的态度是可信的   1   2   3   4   5   6   7

(f)我会信任直销员   1   2   3   4   5   6   7

(g)直销员只重视自己公司的利益   1   2   3   4   5   6   7

(h)直销员渴望维系顾客和他的良好关系   1   2   3   4   5   6   7

(i)直销员有能力维系顾客和他的良好关系   1   2   3   4   5   6   7

13. 如果用以下的形容词来形容你对直销员的感受, 请圈出最能代表你对该描述的同意或不同意程度的数字(1=非常不同意；2=不同意；3=少许不同意；4=既不同意也不反对；5=少许同意；6=同意；7=非常同意)。

	非常不同意	不同意	少许不同意	既不同意也不反对	少许同意	同意	非常同意
(a) 接受	1	2	3	4	5	6	7
(b) 赞赏	1	2	3	4	5	6	7
(c) 尊重	1	2	3	4	5	6	7
(d) 信心	1	2	3	4	5	6	7
(e) 感谢	1	2	3	4	5	6	7

(f) 喜爱		1	2	3	4	5	6	7
(g)尊敬		1	2	3	4	5	6	7
(h) 欣赏		1	2	3	4	5	6	7

(D) 个人资料

最后，我们需要一些你的资料，用来分析调查的结果。 你提供的资料将会被保密。 每一条问题请选择一个答案。

14. 你的性别:

　　　　男 □　　　　　　　　　女 □

15. 你的年龄：

　　18 岁以下　 □　　　　18 岁 – 23 岁 □　　　　24 岁 – 29 岁　 □
　　30 岁 – 39 岁 □　　　　40 岁 – 49 岁　 □　　　　50 岁以上　　　 □

16. 你的婚姻状况：

　　未婚 □　　　　　已婚 □　　　已婚及有子女　□

17. 你有没有参与过网上售物呢?

　　　　有 □　　　　　没有 □

18. 你当过直销员吗?

　　　　有 □　　　　　没有　□

19. 教育程度:

　小学□　　初中□　　高中□　　中专□　　大专/大学□　　　大学以上□

20. 职业：

　专业人士 □　　　经理 □　　　工人 □　　　　　学生 □
　在家做家务□　　失业 □　　　退休 □　　其它工作 (请注明) □:____

21. 你的全年总收入：

　RMB￥10,000 以下　□　　￥10,000 - ￥19,999　□　￥20,000 - ￥29,999　□
　￥30,000 - ￥39,999　□　　￥40,000 - ￥49,999　□　￥50,000 或者更多　□

谢谢您的合作!

Sample Questionnaire for Study 2 (Essay 4)
Translated English Version

TRUST IN ONLINE SHOPPING AND DIRECT SELLING

(A) INTRODUCTION
In this survey, we would like to investigate the customer attitudes or behavior toward *online shopping* and *direct selling.* We will focus on personal face-to-face marketing between you and a salesperson, or the relationship between you and the website, from which you bought a product.

1. Which city of China do you live in?

   _____ (City and Province)

2. Please indicate, by circling the appropriate number, whether you have ever purchased *any* product or service through each of the direct marketing method stated below.

	Have Never Purchased	Have Purchased In Last 12 months	Have Purchased, But Not In last 12 Months	Purchased Often
a. Online Shopping	1	2	3	4
b. Direct Selling (eg. Amway, Avon, Mary Kay's business)	1	2	3	4

3. Please indicate the web site you often use or trust in: (May be more than one answer)

   STORE.sohu.com ☐   SINA Mall ☐   CN.YAHOO.COM ☐
   JD.COM ☐
   Others ☐ (please indicate: _____)

   _____

4. Please indicate the product category you often buy through Internet: (May be more than one answer)
   Books ☐

CD/VCD/DVD ☐
Electronic Products (e.g., computer, MP3, Digital camera) ☐
Tickets ☐
Others ☐ (Please indicate: _____)

5. Please indicate the brands of the products you ever bought through direct selling: (May be more than one answer)

Amway ☐   Avon ☐   Mary Kay ☐
others ☐ (Please indicate: _____)

6. Please indicate the product category you often buy through direct selling: (May be more than one answer)

Cosmetic/Health Products ☐   Daily Necessities ☐   Food ☐
Appliance ☐
others ☐ (Please indicate: _____)

7. Please read the statements carefully and then indicate the extent to which you agree or disagree with each of the following statements by circling the appropriate number. (1 = strongly disagree, 2 = disagree, 3 = a little bit disagree, 4 = neither disagree nor agree, 5 = a little bit agree, 6 = agree, 7 = strongly agree)

	strongly disagree	disagree	a little bit disagree	neither disagree nor agree	a little bit agree	agree	strongly agree
a. The website represented a reputable business	1	2	3	4	5	6	7

b. The salesperson worked for a reputable business	1	2	3	4	5	6	7
c. I had complete confidence in the organization the website represented	1	2	3	4	5	6	7
d. I had complete confidence in the organization where the salesperson worked	1	2	3	4	5	6	7
e. I trusted the organization to stand behind its products sold through internet	1	2	3	4	5	6	7
f. I trusted the organization to stand behind its products sold through direct selling	1	2	3	4	5	6	7

(B) ONLINE SHOPPING

NOW WE WOULD LIKE TO ASK YOU ABOUT YOUR GENERAL ATTITUDES AND BELIEFS TOWARD ONLINE SHOPPING.

8. Please indicate the extent to which you agree or disagree with each of the following statements regarding the website you most recently purchased

from by circling the appropriate number. (1 = strongly disagree, 2 = disagree, 3 = a little bit disagree, 4 = neither disagree nor agree, 5 = a little bit agree, 6 = agree, 7 = strongly agree)

	strongly disagree	disagree	a little bit disagree	neither disagree nor agree	a little bit agree	agree	strongly agree
(a) I have confidence in the accuracy of the information I get from this website.	1	2	3	4	5	6	7
(b) I have confidence in the fairness and honesty of this website	1	2	3	4	5	6	7
(c) I can always rely on being informed early enough by this website about new product which I might be interested in.	1	2	3	4	5	6	7
(d) The relationship between this website and myself is characterized by:							
d.1 mutual trust	1	2	3	4	5	6	7
d.2 good personal relationship	1	2	3	4	5	6	7
d.3. confidence in each other	1	2	3	4	5	6	7
d.4. high levels of commitment to the relationship	1	2	3	4	5	6	7
(e) People trust this website	1	2	3	4	5	6	7

(f) This website is only concerned with promoting its own company's interests.	1	2	3	4	5	6	7
(g) This website has the desire to maintain a good relationship with me.	1	2	3	4	5	6	7
(h) This website has the ability to maintain a good relationship with me.	1	2	3	4	5	6	7

9. To what extent does each of the following describe your feelings towards the website you most recently purchased products/services from? Please circle the appropriate number. (1 = strongly disagree, 2 = disagree, 3 = a little bit disagree, 4 = neither disagree nor agree, 5 = a little bit agree, 6 = agree, 7 = strongly agree)

	strongly disagree	disagree	a little bit disagree	neither disagree nor agree	a little bit agree	agree	strongly agree
(a) Fast	1	2	3	4	5	6	7
(b) Credible	1	2	3	4	5	6	7
(c) Confident	1	2	3	4	5	6	7
(d) Attractive	1	2	3	4	5	6	7
(e) Convenient	1	2	3	4	5	6	7
(f) Dislike	1	2	3	4	5	6	7

(g) Creative	1	2	3	4	5	6	7
(h) Adequate advice	1	2	3	4	5	6	7

10. Do you always browse online shopping websites?

Not always   1   2   3   4   5   6   7   Always

11. Have you considered to shop online?

Definitely not   1   2   3   4   5   6   7   Definitely yes

(C) DIRECT SELLING (e.g., business of Amway or Avon)

NOW WE WOULD LIKE TO ASK YOU ABOUT YOUR GENERAL ATTITUDES AND BELIEFS TOWARD DIRECT SELLING.

12. Please indicate the extent to which you agree or disagree with each of the following statements regarding the direct selling salesperson you most recently purchased from by circling the appropriate number. (1 = strongly disagree, 2 = disagree, 3 = a little bit disagree, 4 = neither disagree nor agree, 5 = a little bit agree, 6 = agree, 7 = strongly agree).

	strongly disagree	disagree	a little bit disagree	neither disagree nor agree	a little bit agree	agree	strongly agree
(a) I have confidence in the accuracy of the information I get from this salesperson.	1	2	3	4	5	6	7
(b) I have confidence in the fairness and honesty of this salesperson.	1	2	3	4	5	6	7

(c) I can always rely on being informed early enough by this salesperson about new product which I might be interested in	1	2	3	4	5	6	7
(d) The relationship between this salesperson and myself is characterized by:							
d.1 mutual trust	1	2	3	4	5	6	7
d.2 good personal relationship between us	1	2	3	4	5	6	7
d.3. confidence in each other	1	2	3	4	5	6	7
d.4. high levels of commitment to the relationship	1	2	3	4	5	6	7
(e) This salesperson behaves in a trustworthy manner towards me	1	2	3	4	5	6	7
(f) I trust this salesperson	1	2	3	4	5	6	7
(g) This salesperson is only concerned with promoting his/her own interests	1	2	3	4	5	6	7
(h) This salesperson has the desire to maintain a good trading relationship with me.	1	2	3	4	5	6	7

(i) This salesperson has the ability to maintain a good trading relationship with me.	1	2	3	4	5	6	7

13. To what extent does each of the following describe your feelings towards the salesperson you most recently purchased products/services from? Please circle the appropriate number. (1 = strongly disagree, 2 = disagree, 3 = a little bit disagree, 4 = neither disagree nor agree, 5 = a little bit agree, 6 = agree, 7 = strongly agree)

	strongly disagree	disagree	a little bit disagree	neither disagree nor agree	a little bit agree	agree	strongly agree
(a) Acceptance	1	2	3	4	5	6	7
(b) Admiration	1	2	3	4	5	6	7
(c) Esteem	1	2	3	4	5	6	7
(d) Faith	1	2	3	4	5	6	7
(e) Gratitude	1	2	3	4	5	6	7
(f) Liking	1	2	3	4	5	6	7
(g) Respect	1	2	3	4	5	6	7
(h) Appreciation	1	2	3	4	5	6	7

(D) PERSONAL INFORMATION

FINALLY, WE WOULD LIKE SOME DETAILS ABOUT YOURSELF TO HELP US CLASSIFY OUR RESULTS. THIS INFORMATION WILL BE CONFIDENTIAL. PLEASE CHECK ONE RESPONSE CATEGORY FOR EACH QUESTION.

14．Are you?

Male □ Female □

15. In which of the following age groups do you belong?

Below 18 □   18 – 23 □   24 – 29 □

30 – 39 □   40 – 49 □   Above 50 □

16. What is your marital status?

Single □   Married □   Divorced □   Separated □

17. Do you have any family member who is a direct sales person?

Yes □   how many? (*Please specify*)___   No □

18. Have you ever been a direct sales person?

Yes □   No □

19. Which best describes your education level?

Primary School □   Junior School □   Senior School □   Diploma □

College/University □   Graduate or above □

20. Which best describes your employment status?

Professional□   Student □   Housewife   □   Retired □

Worker   □   Manager □   Laid-off □   others (Please specify): _____

21. What is your total annual household income before taxes?

Below RMB$10,000 $10,000 - $19,999 $20,000 - $29,999

□   □   □

$30,000 - $39,999 $40,000 - 49,999 $50,000 or above

□   □   □

Thank you for your cooperation.