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INFLUENTIAL FACTORS OF CHINA'S POST-80S AND 90S GENERATIONS' BUYING INTENTION ON JAPANESE BRANDS

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Summary

The objective of this paper is to explore the influential factors of Chinese Post-80s and 90s generations drives to purchase Japanese brands. After the Chinese anti-Japan demonstrations in 2012, the clamor for retrieving from the Chinese market grew louder and louder. Since 1978 Panasonic firstly invested in China, many established Japanese companies entered the Chinese market, they had achieved a big success. But in recent years, in many fields, compared to Samsung, LG, Hyundai and other rapidly emerging Korean brands, Japanese brands have significantly declined.

As the new Chinese consumers, post-80s and 90s, are entering their financial maturity, their demographic segments are unlike any previous generation or even unlike each other. Based on these two generations' characteristics, they are probably the best-ever consuming groups for Japanese brands.

In the past, many research studies have measured how well the consumers' ethnocentric attitudes predict their purchasing intentions of imported goods. However, this approach does not predict the chances of successfully taking-over markets in China with Japanese imports compared to competitors.

Therefore, based on Dr. Robert Hoffman and Horres Robert's researches, a survey was conducted of Chinese consumers. The respondents of the survey were Chinese young people who are college graduates and have a job, who have recently become the main consumer group in China.

Data analysis was done on the relationship between different factors of Japanese brands and Chinese consumer's purchase behavior. First, it was found that on all factors (Including Brand Recognition, Quality, Capability, Reasonable Price, Design, Post-sales Service and Company Image) of Japanese product, High Purchase Intention Group score is more than Low purchase intention group`s. Secondly, by comparing the buying decision-making behaviors of two groups, Chinese consumers who emphasize on Reasonable Price more than Brand Recognition have low Japanese products purchase intention. To find out what influences consumer's purchase intention of Japanese brands by comparing the product information source, result showed that only Magazine plays a positive role. At last, the relationship between purchase intention and consumer characteristics was analyzed, the result showed a high anti-correlation between Japanese product purchase intention and monthly income, and it stands that the higher monthly income consumers, the lower the intention to make Japanese product purchases.

Combining previous studies and the results of data analysis, it requires four hypotheses to be discussed in different external environments, and brand strategies Japanese firms better to formulate. As conclusion, Japanese firms need to introduce more affordable products, or highlight the reasonable price of their product lines, their new targeting consumers should be low-income and young consumer segment, and it increases the Chinese market sales under tension from China-Japan relation or the negative impacts. Meanwhile, Japanese firms also need to communicate and mark the actual value of their products to the customers, otherwise the customers will not be able to distinguish the Japanese product from other countries.

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CHAPTER 1. INTRODUCTION

Since 1978 Panasonic firstly invested in China, many established Japanese companies entered the Chinese market one after another, they witnessed China's development, and also set a lot of outstanding sales performance in Chinese market. To the Chinese consumers, the Japanese product is not a stranger. Sony, Panasonic, Toyota, Honda and many other Japanese brands are very popular among the Chinese residents.

However, after Chinese companies in Electrical Appliances have made considerable progress, and Korea and other countries' electrical appliances are rapidly emerging by low price and good design, Japanese brands not long stand the glorious sales record. Although Chinese consumers still consider Japanese products as good quality, but they do not necessarily choose Japanese brand as the first choice.

In the 1980s, Japanese brands were a “national brand” across China. In the 1990s, Japanese companies' advertising were mainly devoted in the Beijing, Shanghai, Guangzhou. After ten years of "effort", Japanese brands have successfully become “local brands” in China. But nowadays the consumers in big cities pay more attention to the fashion, feeling and culture, which are easier to get people's purchase intention than the technology and quality, the performance of Japanese products in this area is not adequate, Japanese companies "strategically" abandoned urban areas, making people living in urban not deeply impressed by Japanese products. With European, American and Korean brands flush into China, coupled with China's own brands' growing, Japanese companies have gradually lost their past reputation, especially recent years. In many areas, compared with Samsung, LG, Hyundai and other rapidly emerging Korean brands, Japanese brands have significant declined.

Also, there are some problems with Japanese brand public images remodeling and market re-positioning. Particularly, the market positioning of Japanese brand image is fuzzy, it often falls into “Double Attack” by international brands and Chinese brands, and it cannot show its merits. When promoting a product, many Japanese companies invest too much and concentrated too much, which often forms a fixed image for Chinese consumers. This might work for Japan domestic sales, but Chinese consumer are unlike Japanese, too much focus on one product makes it difficult to accept other products of the same company. For example, most Chinese consumers only know Hitachi is the home electrical appliances manufacturer, but they do not know Hitachi's products in electric power, electronics, information and other aspects. Home appliances only is just a small part in Hitachi.

The China anti-Japanese demonstrations of 2012 were a huge negative impact on Japanese companies in Chinese market. Due to this, Japanese companies have gone into a more passive state. If they choose to abandon Chinese market, apparently they will be suffered heavy losses, and if they continue to stay in the Chinese market, the primary problem is that how to proceed brand promotion in the future. This paper attempts to explore the solution.

Section 1. RESEARCH OBJECTIVE

For all international brands, the patriotism of target countries is an obstacle for overseas brand promotion. In the past, many research studies have measured how consumers' ethnocentric attitudes predict the purchasing intentions of imported goods. However, this approach does not predict the chances of successfully taking-over markets in China with Japanese imports compared to competitors.

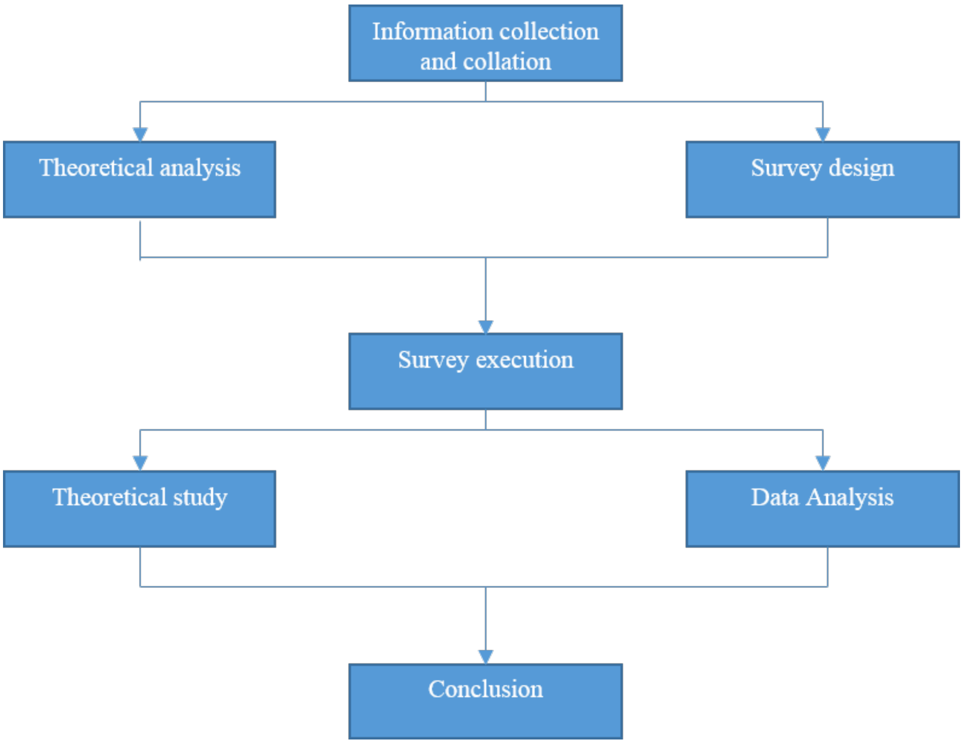
Over the years, Chinese consumers' patriotism has been regarded as the biggest obstacle that Japanese company cannot overcome. China's Post-80s and 90s gradually become China's main consumer groups, many scholars and entrepreneurs direct their attention to these generations. The objective of this paper is to explore the factors that influence Japanese brands purchase intention of China's Post-80s and 90s.

Section 2. RESEARCH METHODOLOGY AND STRUCTURE

Different factors of Japanese brands and Chinese consumer's purchasing behavior will be analyzed throughout this paper. Where a quantitative analysis is required, Chinese consumer survey will be used, as well as certain previous research results. The relationships among Chinese consumers' patriotism, consumer perception and consumer behavior are analyzed, just as they were discussed in previous research. Data analysis is a supplemental part and a continuous exploration was taken upon the previous research results.

The technology roadmap of this paper is as follows:

Figure. 1: Technology roadmap.



The structure of this paper will be: Chapter 1 is the introduction of the topic, explaining the objective, methodology, structure and background of this paper. Chapter 2 is the introduction of "the new Chinese consumer" --- Post-80s and 90s, describing the characteristics of these two generations. Chapter 3 is the previous literature in relate to this research, discussing the necessity and theoretical basis of this study, and prompting the question to explore. Chapter 4 is the data analysis of Chinese consumer survey; the data obtained from survey were analyzed statistically. Chapter 5 is the result discussion, conclusion, and combined study conclusion, offering advice to Japanese companies

Section 3. RESEARCH BACKGROUND

The Chinese anti-Japanese demonstrations of 2012 were a series of initially peaceful demonstrations held across major cities in China during August and September. Until conducting the survey, the Senkaku Islands dispute between China and Japan kept escalating. In the protests against Japan, there have been calls of boycotts of Japanese goods in addition to the destruction of several existing Japanese products, it was a severe economic impact for Japanese companies.

According to Guangzhou Automobile Group Co, about 1,800 vehicles under Toyota Motor Corp., Nissan Motor Co. and Honda Motor Co.'s brands were damaged during anti-Japanese protests that erupted across China after Japan nationalized the disputed and China-claimed Senkaku islets Sept. 11. (TIAN YING, Dec 8, 2012)

For our purpose, the situation in the Chinese market can be considered as a very good opportunity for researching the Japanese brands purchase intentions of Chinese consumers, under a stressful China-Japan relation. The more profound problem is the impact on Chinese consumers' attitudes towards the Japanese brands, especially "the new Chinese consumers" --- Post-80s and 90s.

CHAPTER 2. CHINA'S POST-80S AND 90S INTRODUCTION

Section 1. INTRODUCTION TO "NEW CHINESE CONSUMERS"

As consumption continues to increase at a high speed in China, brands and marketers are continuously fascinated (and puzzled) with the new Chinese consumers --- post-80s and 90s generations. These generations are unlike any of the previous generation and even unlike each other.

In today's market, youth have become the most lucrative segments covered by marketers. According to Wolburg and Pokrywczynski (2001), the reason why marketers are longing for this segment is: the sheer size of the youth market demands attention; young people are often trendsetters and the leading consumers in fashion markets; the pre-adulthood years are a crucial period for the youth to establish brand loyalty that may last an entire lifetime. (By Huan Chen, Aug 06, 2008, 2)

Now the post-80s and 90s generations have recently become the major consumer group in the Chinese market, they are also the trend creators in China. How to accurately grasp the purchase intention of these two generations will be common topic of all enterprises in the world, especially Japan.

Section 2. CHINA'S POST-80S

The post-80s is a generation in Mainland China, generally considered to be born between 1980 and 1989, after the introduction of the one-child policy. The post-80s is the first generation growing up entirely within the reformist era and it makes up a major portion of China's young adult demographic. Now they have recently been the main consumer group in the Chinese market.

This generation's characteristics are worth noting the following three points:

1. One-child policy, this generation got a great deal of love from their family, not only emotionally, but also the economically. They became self-concerned and overconfident, emphasizing the quality of life and material sufficiency. Therefore, their consumption capacity is stronger than any previous generation. Indeed, their consumption desire is beyond their consumption capacity.

2. The Chinese economic reform: it started in December 1978 by reformists within the Communist Party of China (CPC) led by Deng, Xiaoping. The ultra-high economic growth of reform and opening-up policy since the reform, was experienced by no other countries in the world. Therefore, there is a high level of unprecedented changes as well as conscious stress and experience loading on to the Post-80s generation.
3. Internet: With the fast development of the Internet, post-80s have reached Internet prior to entering university. Today, the internet has been irreplaceable in their lives. With online shopping, online gaming and online communication, the internet is already the main media of this generation to obtain information and part of daily living. On the other hand, the network also prompts the vision of this generation to a more open and quickly grasp to the trend.

Japanese brands accompanied the growth of this generation, most post-80s have consumed these brands of products, and everyone is able to discuss Sony, Panasonic and other Japanese brands' strengths and weaknesses. Japanese brand formed their brand images in this generation's.

Right now, this generation has entered society, work and marriage, they have become the core productive forces of the country. While undergoing more and more pressure, some of the Post-80s changes attract the attention of the enterprise experts.

In 2009, Levi's wanted to target consumers born in the 80s with a new Levi's sub brand. Both the white collar and the college students are under huge pressure, so Levi's created a relaxing, enjoyable and happy brand image, which would increase brand preference among the target group. Levi's proposed to position the new brand as reflecting current trends and target consumer lives and values instead of pioneering new ones. Also, it put great emphasis on appreciating friendship rather than the individual, as well as leveraging celebrities with high credibility in the target group. The launched event was designed as a high-level, celebrity-packed fashion show with a party theme that tied in to the concept of "friends" and "togetherness". This was followed up with consumer engagement events and consumer seeding on campus, again acknowledging the huge impact of friends on this group of consumers. (By Judy Luo and Charlotta Lagerdahl, January 2011, 7)

Section 3. CHINA'S POST-90S

The post-90s is a generation in Mainland China, generally be considered to be born between 1990 and 1999. They are the second generation of Chinese people growing up as only one child in their families. This generation's characteristics are similar to the post-80s, but more prominent and visible.

Meanwhile, Post-90s also have their own characteristics. They do not yet have financial pressure, they are still supported by their parents, the focus of this generation is "self", and they want to be seen as individuals. The Internet is simply a place where this generation hang out with friends, express themselves through social networks. They are also more interested in sensational news compared to world news. When they look for specific, credible information, this generation still turns to traditional print media or books.

In late 2009, MSL China was tasked with the rebranding launch of Sprite. When targeting the teenage opinion leaders of the 90s generation, MSL knew that they needed to be personally engaged. For this generation, it is not enough to watch things far away on a stage. They want to create their own style and express their own creativity, not just look on and admire someone else's. We designed an online Sprite photo campaign, where consumers could upload pictures of themselves while creatively expressing the promises of the Sprite brand. These pictures were shared among their friends, allowing opinion leaders to engage and play with the brand and "make it their own" – while spreading it through peer-to-peer communication. (By Judy Luo and Charlotta Lagerdahl, January 2011, 9)

Section 4. SUMMARY

For Japanese firms, these two generations are affected by China's patriotic education, but they also grew up with Japanese cartoons and Japanese games, their hatred of Japan is not as strong as previous generations, indeed, some of them are in favor of Japan and Japanese products. Based on their character traits, they are more concerned about their own life status than responsibilities, especially when they suffer the pressures of living.

Taking all of the above into account, these two generations' living status, needs and consumption concept are more consistent with the future positioning of Japanese brands. They are probably the best ever consumer groups for Japanese brands. In fact, some of international brands have already regarded these generations as their main target.

CHAPTER 3. PREVIOUS RESEARCH

The rapid development of China's economy is attracting more and more firms' attention, people want to understand Chinese consumers' purchase behavior, for formulating their strategies. However, for Japanese companies, due to current tensions between China and Japan, want to understand Chinese consumers' attitudes of Japanese products become more complex, the clamor for retreating from the Chinese market grew louder and louder. Based on current situation, in order to explore the future of Japanese brands in China market, this study was conducted.

The research of this paper will depends on the previous research, therefore, as previous study of theoretical foundation, I have reviewed a number of studies, however most studies have not focused on China's post-80s and post-90s which the new consumer power.

Section 1. CHARACTERISTICS OF CHINESE MEDIA

China's mass media is completely different with Japan's, relative to developed countries, China's mass media is closed, and controlled by Chinese government, what kind of information Chinese citizens can obtain through the mass media, depends on Chinese government. Therefore, Chinese consumers' purchasing behavior will be affected by this information, such as boycott campaign, and Chinese government is able to control or guide the campaigns.

The Chinese media may sometimes act as a shock amplifier or as a shock creator. Mass media reports on shocks are typically in line with government views. The media, being the representative voice of the government, acts as a gatekeeper, and only selected news is distributed to the readers. The media monitors, filters and modifies incoming information. (By Horres Robert, May 31, 2012, 40)

Chinese citizens obtain their information about events related to Japan through the media, and they form their opinions based more on what they have read or seen in the media and less on their own judgments. (By Horres Robert, May 31, 2012, 40)

Close to 50% trust Chinese newspapers often or very often and nearly 20% always trust

Chinese newspapers. Online Chinese news is not as trusted as the Chinese newspapers; however, approx. 40% trust Chinese news online often or very often, whereas 9% always trust online Chinese news. 17% never or seldom trust online Chinese news. It is evident that Chinese newspapers and news online influence the private knowledge of Chinese consumers. (By Horres Robert, May 31, 2012, 50)

Just as Horres Robert said, Chinese government is able to protect local products and boycott foreign products through the mass media. From the perspective China, this approach is very beneficial to China's economic development, be able to regulate the import of foreign products and protect the development of domestic enterprises, and the purpose of this approach is to achieve the rise of domestic enterprises.

Siedschlag et al. regard the media as important stakeholders and believe that foreign policy has significantly changed since the widespread adoption of mass media. The mass media actively criticizes, impacts, and comments upon foreign political affairs. By making use of radio, TV, and the Internet, the mass media reaches many more people than ever before. (By Siedschlag et al., 2007, 107)

However, China's mass media is closed, and controlled by Chinese government, the information from the outside world is not able to directly affected Chinese consumers. Therefore, when Chinese enterprises can fully meet the needs of Chinese consumers, the situation will be more severe for foreign brands, and foreign enterprises will be forced to re-adjust their positioning in the Chinese market. In Chinese market, no one foreign enterprise can truly achieve monopoly, and no one foreign brand can own their brand loyalists permanently.

Section 2. CHINESE CONSUMER ETHNOCENTRISM

It is important to understand the antecedents of consumer ethnocentric tendencies because the concept has a more powerful influence on consumer preferences for domestic and foreign products than demographic or marketing-mix variables. (By Robert Hoffman, Mar 12, 2012, 253)

The category of national products was linked to nationalism, authenticity, and modernity, as well as to traditional concepts such as propriety, righteousness, integrity, and shame. In contrast, the category of foreign products was associated with imperialism, treason, inauthenticity, weakness, and immorality. (Gerth 2003, 187)

As Japan expanded its control over China, the Chinese intensified their search for "traitors". Traitors were seen as those with contacts with Japanese, and these contacts came to include any consumption of Japanese products. (Gerth 2003, 362)

The view Gerth said is very common in China, especially the treatment of Japanese products. The people who want to show their patriotism will despise Chinese consumers who used Japanese products. Therefore, while Chinese consumers buying Japanese products, and also they needs to bear some of the psychological pressure, this makes Chinese consumers' feeling cost of Japanese products is higher than the actual cost, if exactly the same substitute appears, consumers are more likely to choose the substitutes. Some consumers perceive Japanese products as good or even very good, but due to the pressure, they choose to falsify their preferences, in order to overcome this obstacles of product recognition, Japanese companies need to make some sacrifices to make up.

One reason why public opinion is a source of social pressure is that individuals trying to enhance the credibility of their chosen public preferences show approval of people who have made the same choice and disapproval of people who have made other choices . . . People feel compelled to back up their declarations of support with concrete actions precisely because preference falsification is common and understood to be so. (Kuran 1997, 61)

Yet in practice preference falsification does affect private preferences. It distorts public discourse – the corpus of assertions, arguments, and opinions in the public domain. In turn, the distortion of public discourse transforms private knowledge – the understandings that individuals carry in their own heads. The transformation of private knowledge ends up reshaping private preferences. (Kuran 1997, 157)

This phenomenon exists for many years, people have become accustomed and identify with this phenomenon, and thus more and more Chinese consumers are not able to show their true needs. For Japanese brands, compared with the substitutes, their advantage becomes more no obvious. Now, they need is a new consumption concept to injected into the Chinese market, a new kind of consumer group which prefer to show their personalities, they are not susceptible to be influenced by outside or other people. This characteristic people can be found upon China's post-80s and post-90s, and more prominent and visible on post-90s.

Section 3. CHINESE-JAPANESE RELATIONS IN CONSUMER PERCEPTION AND CONSUMER BEHAVIOR

Horres Robert did a very detailed consumer survey in China, his research appears that how Chinese-Japanese relations influence the consumer perception and consumer behavior, it is a systematic analysis of the response of the Chinese consumers and the negative effects of the Japanese brands after a shock.

Horres Robert states that many Chinese consumers acknowledge the positive intrinsic cues, or physical attributes, of Japanese products. However, Japanese products suffer from negative country equity, an important extrinsic cue. Other extrinsic cues include product-related but not product-specific cues such as brand name and the level of advertising. The objective and perceived value of Japanese products is high. Nevertheless, many Chinese consumers would still not buy them either due to the negative country equity (they are against Japan) or because of preference falsification. (By Horres Robert, May 31, 2012, 141)

The results of Horres Robert's consumer surveys showed that:

1. One of the most important extrinsic cues is the origin of the product;
2. For some consumer segments, the above-mentioned extrinsic cue was more important than the intrinsic cues, and even though some consumers might choose a Japanese product due to its intrinsic cues, these segments choose different products due to this extrinsic cue, either because of negative feelings toward Japan or because of preference falsification.
3. For another consumer segment the intrinsic cues are more important than the extrinsic cues or these consumers do not engage in preference falsification when facing social pressures.
4. For yet another segment the intrinsic cues were important, but their positive perception of

Japanese products caused them to choose these products more often. (By Horres Robert, May 31, 2012, 142)

Based on the results of Horres Robert's consumer surveys, it can be clearly that the intrinsic cues and extrinsic cue of a product play a very important role in Chinese consumers' purchasing decisions, in further, the extrinsic cue of Japanese products which Chinese consumers received is controlled by Chinese government (Based on the section 1 of chapter 3), and the intrinsic cue of Japanese products can be controlled by their companies.

In addition, because of the negative feelings toward Japan, some consumers hide their real demand and choose other countries' products. Only the consumers who emphasis on the intrinsic cues will choose Japanese products. Therefore, for Japanese brands, their target can only be placed on Chinese consumers who perceive the intrinsic cues are more important than the extrinsic cues.

Horres Robert states that many consumers perceive Japanese products as good or even very good. However, many consumers would not choose a Japanese product even if the product's price-performance ratio were higher than that of products from other countries. In addition, in the event of a shock in Chinese-Japanese relations, consumer perception and purchase behavior may change and consumers would demand fewer Japanese products or purchase a substitute. (By Horres Robert, May 31, 2012, 163)

As conclusion, Horres Robert states that in order to improve the perception of Japan in China, Japan would have to prevent the occurrence of exogenous shocks such as the publication of revisionist history schoolbooks or denials of the atrocities of the Second World War. In addition, it would be advantageous if the public discourse with respect to Japan in China included more positive messages. (By Horres Robert, May 31, 2012, 164)

The cooperation Horres Robert stated is obviously the most ideal condition for Japanese brands, however, for Chinese government, due to national protectionism and some historical issues with Japan, will not take the initiative to maintain this cooperation model. Therefore, if Japanese companies pin their hopes on the cooperation model, when the negative impact occurs again, they will suffer greater losses.

According to Horres Robert's research, it seems that Chinese consumer ethnocentrism is fiercely, a shock in Chinese-Japanese relations will result in a big negative impact to the Japanese brands, and it is very difficult for Japanese companies to reverse this situation, in a poor China-Japan relation, try their best to reduce this negative impact is the only thing they can do solutions.

In addition, although this approach can play a certain effect, but the engendering of negative impacts will not can be suppressed, Japanese brands need to promptly remake their branding strategy in Chinese market.

Based on China's post-80s and post-90s's characteristics, it seems that these generations make choices based largely on their individual preferences with regards to a product's intrinsic characteristics, so targeting on these consumer segments may bring some better solutions to Japanese firms.

Section 4. CHINESE CONSUMER ETHNOCENTRISM: A FIELD EXPERIMENT

Dr. Robert Hoffman did a field experiment approach to find out the actual consumption decisions of Chinese consumers. The result show that it uncovered no meaningful evidence whatsoever of Chinese consumer ethnocentrism. (By Robert Hoffman, Published Mar 12, 2012)

In Dr. Robert Hoffman's paper, he depicted the research direction and methods of many scholars in great detail, most scholars believe that the patriotism of Chinese consumers will lead them move away from foreign goods and towards domestic products. Therefore, his experiments based on the assumption that patriotism to be positively related to consumer ethnocentrism.

In Dr. Robert Hoffman's experiment, approximately 450 people participated in the experiment, the first test used two scratch cards offering the chance to win a digital camera, one model Chinese and the other Japanese; the second used two small bags of sweets, one Chinese and the other South Korean; and the third used two T-shirts, one made in China and the other in Thailand. Some volunteers were told the products' origins, others not, and all completed a survey that examined their choices and attitudes in greater detail. (By Robert Hoffman, Published Mar 12, 2012)

At the end of the experiment everyone who took part was given the products they chose, and scratch card winners were also subsequently presented with their prizes. As far as we are aware, this represented the first incentivized test of consumer ethnocentrism and, as such, provided an effective alternative to the flawed approaches commonly employed. (By Robert Hoffman, Published Mar 12, 2012)

Many people think that Chinese consumers' patriotism is false or temporary, and this problem is also the way of previous research cannot draw conclusions. Dr. Robert Hoffman's experiment was very detailed presentation in his paper, based on the method of experiment, the experiment is closer to the actual consumption decisions of Chinese consumers, in this experiment, the Chinese consumers have shown their true preferences between patriotism and product value.

In the result of Dr. Robert Hoffman's experiment, he states that Chinese people, even those who score very high on the CETSCALE, are generally indifferent to whether the product has been produced domestically or abroad, and are far more likely to make their consumption decisions according to intrinsic product characteristics. This conclusion is further supported by recent market research coming out of China, which shows a large expansion in the market for foreign-made luxury goods. (By Robert Hoffman, Mar 12, 2012, 262)

He also states that according to China's self-identity construction, patriotism is not seen as 'narrow nationalism' or ethical nationalism (Zhang, 2004) but refers to the loyalty of all Chinese people towards China as a state for the purpose of the country's coherence. Thus, economic pragmatism that promotes whatever means conducive to economic growth presents the basis for consumption preferences. Allowing foreign seller into the country and promoting the consumption of their products is thus not seen as anti-nationalistic but a means to propel China onto the global stage, as well as allow economic growth for the country. This means that Chinese consumers can be as pragmatic about their consumption as they wish to be, without threatening their allegiance to their country, or being seen as unpatriotic. (By Robert Hoffman, Mar 12, 2012, 262)

The result of Dr. Robert Hoffman's experiment also show that, in the actual decision-making, Chinese consumers did not show their patriotism. His research posits that the widespread belief that Chinese consumers are fiercely loyal to products made in their own country may be mistaken.

In Dr. Robert Hoffman's experiment, Chinese consumers had the opportunity to display ethnocentric consumption preferences irrespective of other factors but did not do so. Future work to corroborate our findings in other countries and with more products is clearly warranted. (By Robert Hoffman, Mar 12, 2012, 262)

It is clearly shown in Dr. Robert Hoffman's research that Chinese consumer ethnocentrism is can be shaken if deliver them higher value. The question is what factors they are focusing on, especially, China's post-80s and post-90s emphasis on which factor of Japanese brands, and they are demanding which one most.

Section 5. UNIQLO

UNIQLO Co., Ltd. is a Japanese casual wear designer, manufacturer and retailer. The company was founded in 1984. Originally, UNIQLO was a division of Fast Retailing Co., Ltd., has been a wholly owned subsidiary since November 2005, listed on the First Section of the Tokyo Stock Exchange. Its product is positioning in the appropriate mass, low price, good quality casual clothing brand, has nearly 60 years of history.

Currently, UNIQLO is the world's fifth largest cheap clothing brands. (The top five are ZARA, H&M, GAP, The Limited and UNIQLO) The company's sales following of ZARA (Spain), H & M (Sweden) and GAP (USA) ranked fourth in the industry. During global financial crisis, Japan's automobile and household appliance manufacturers, large department stores and supermarkets and other retail businesses are caught in a recession, performance deterioration. However, UNIQLO maintained as a victor.

In Japan, UNIQLO was positioned as a “Volkswagen brand”. Through the development of post-war decades, especially after the 1980 peak of Japan, the vast majority of people have reached a high-quality standard of living. So they transplanted the Japanese “Volkswagen brand” concept to China in 2001, inevitably there will be a higher priced cases, this strategy has been extended to 2005. When its competitors were local Meters Bonwe, Hong Kong Baleno and other brands, UNIQLO did not have a clear price advantage, so when the Chinese management found it necessary to make adjustments in the price, then they made the expense of design and quality.

UNIQLO brand has basically become "low price and high quality" synonymous. The biggest feature on its operating is to import a fast food business philosophy, mainly reflected in:

- Product wide applicability, the clothing UNIQLO sales are suitable for men and women wearing in any age group.
- Stores standardization, rely on operating guide makes store layout commodity and prices achieved unification.
- Less variety more sales, production through economies of scale and achieve lower prices.
- Warehouse sales, saving storage costs and avoid unnecessary costs.

The company benefited from the introduction of SPA business model. SPA is an acronym for "Specialty Retailer of Private Label Apparel". From product planning, manufacturing to retail are integrating, vertically integrated form of sales. Its advantages are as following:

- Can achieve low-priced goods. Different with traditional clothing circulation system, there is no intermediate links in the business model of UNIQLO, so is not needed pay a commission of intermediate links. In addition, commissioned sales, because of the implementation of the buyout system, does not exist the risk of returning goods which into the purchase cost, and thus able to purchase goods at lower prices.
- Can master channel control. UNIQLO controls product quality and delivery by controlling the retail chain stores, UNIQLO can produce large orders by directly managing each retail stores,
- Timely grasp of market information. Because of UNIQLO directly involved in the management of all retail stores, can timely access to store sales information, in order to adjust product structure and improve service quality, avoiding the problem of selling consignment stores low capacity in traditional way.

As we all know, UNIQLO is a very successful company in world, it is also be loved by Chinese consumers since entered the Chinese market. Even after the China anti-Japanese demonstrations, they still insist expand further in China, Tadashi Yanai states that "It is true that there is a political or specific China risk involved in doing business there. However, we do not intend to revise our expansion plans.” “A study by the Chinese Academy of Social Sciences estimates that China's middle class now comprises 300 million people, or 23 percent of the population. The middle class is expected to grow annually by 1 percentage point.” “It is only natural that we open outlets where there is demand.”(Tadashi Yanai, November 01, 2012)

It is clearly shown that UNIQLO’s products are able to meet the needs of Chinese consumers, especially the China's middle class. Tadashi Yanai is also very optimistic about the Chinese market. It can be said that their "low-price high-quality" strategy is successful in China, and this success could be a good example of Japanese companies.

Section 6. EXTRACTION OF SURVEY TOPICS

The design of Chinese consumer survey in this paper depends on the previous research above, as a supplement and continues of the previous research.

Based on section 1, it can be clear that, China's mass media is closed, and controlled by Chinese government. Under a poor China-Japan relation, Chinese domestic information about Japan, in the mass media, most will have a negative impact on the Japanese brands, and the information from the outside world is not able to directly affected Chinese consumers. Therefore, the Japanese brand promotion will be very limited, and emotional branding will also be very difficult in Chinese market.

Based on section 2, it can be clear that, Chinese consumers will feel the psychological pressure when they choose to buy Japanese products, this phenomenon causes Japanese products seems a disadvantage in similar products. And this phenomenon among the generations of post-80s and post-90a will be reduced.

Based on section 3, it can be clear that, the intrinsic cues and extrinsic cue of a product play a very important role in Chinese consumers’ purchasing decisions, Chinese domestic information about Japan made a big negative impact of Japanese products’ extrinsic cue. For Japanese brands, they are able to communicate with Chinese consumers only through internal cues of their products, and this is the most effective way for Japanese branding.

Based on section 4, it can be clear that, in the actual decision-making, Chinese consumers did not show their patriotism. Therefore, it seems that Chinese consumer ethnocentrism is can be shaken if deliver higher value to them.

Taking all of the above into account, the main objective of Chinese consumer survey in this research will as following:

- The main survey respondents will be set as Chinese Post-80s and Post-90s.
- The Japanese brands purchase intention of Chinese consumer.
- The discrepancy among different purchase intention of Chinese consumer segments.
- Various factors (internal cues) of Japanese products, how influence the purchase intention of Chinese consumers.
- Japanese brands, should communicate with Chinese consumers through which factor (internal cues) of their products.
- The target of Japanese brands in the future.

CHAPTER 4. CHINESE CONSUMER SURVEY

The online survey was conducted between October 10 and October 20 in 2013, and the paper survey was conducted between October 25 and November 1 in 2013. The paper survey was done mainly in the Government Office, Hospitals Office and Research Institute in Shenyang.

Section 1. DEMOGRAPHICS

All of the surveys included 73 male (34.0%) and 142 female (66.0%). All ages were represented: 18 - 25 (27.9%), 26 - 30 (42.8%), 31 - 40 (20.9%), 41 - 50 (5.1%) and over 51 (3.3%). In addition, as the distribution of generation, 60 people are Post-90s, 137 people are Post-80s and 18 people are Pre-80s.

Figure. 2: Survey distribution by age.

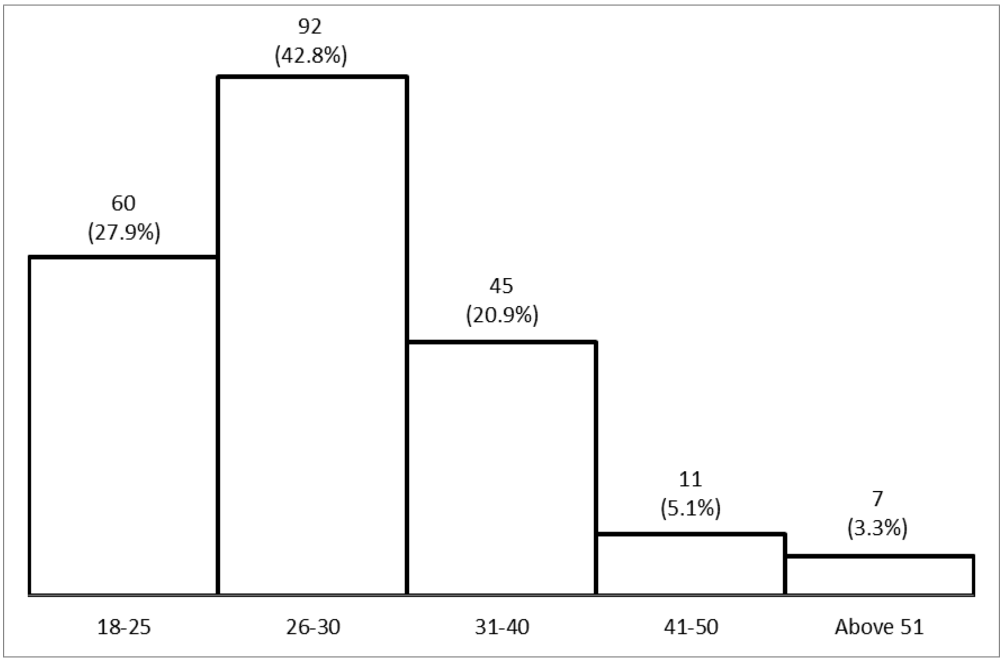


Figure. 3: Survey distribution by sex.

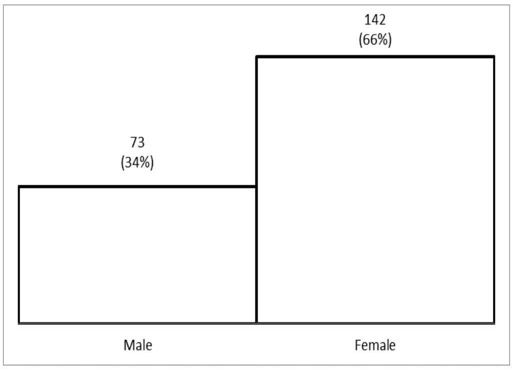
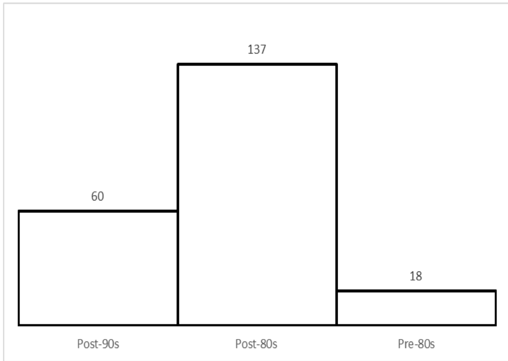


Figure. 4: Survey distribution by generation.



As for the level of education, 19.07% of the respondents held a Master's degree or a Doctoral degree, 79.07% attended university, 1.86% secondary senior. As for the monthly income were represented: under 2000 yen (19.1%), 2001 – 3000 yen (45.6%), 3001 – 5000 yen (23.3%), 5001 – 8000 yen (7.0%), 8001 – 12000 yen (3.7%), 12001 – 20000 yen (0.9%) and over 20000 yen (0.9%).

Figure. 5: Survey distribution by level of education.

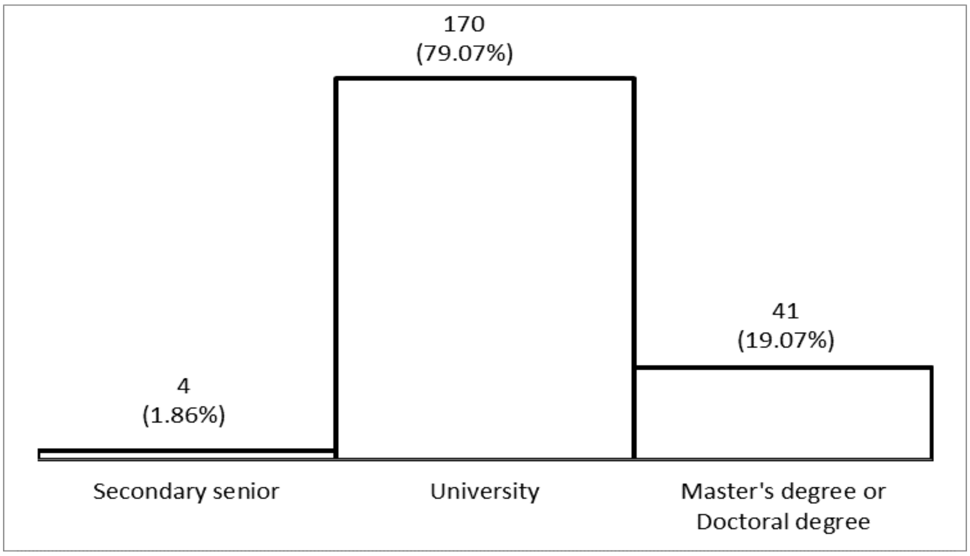
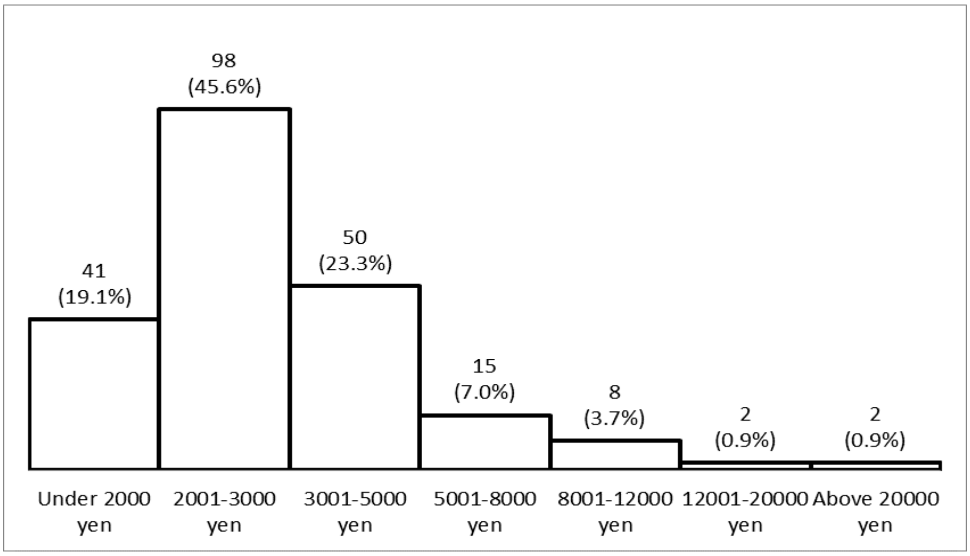


Figure. 6: Survey distribution by monthly income.



Section 2. CONSUMPTION CONCEPTS

The main respondents of my survey were Chinese young people who are university graduates and have a job. This survey also included Chinese consumers' favorite international brands and Japanese brands, the questionnaire asked respondents to write down the name of their favorite or most knowledgeable international brand and Japanese brand, and then I classified the answers. (Distribution of brand names, please refer to Appendix 1 and Appendix 2.) After respondents wrote down their favorite or most knowledgeable brand name, they need choose the reasons of loving this brand.

In this section, the purpose is to find out the difference on brand perception between international brands and Japanese brands, and among post-90s, post-80s and pre-80s, the changes of their needs tend. Consumers chase for their favorite brands, to a certain extent, it also reflects the commonality of these consumer segments' buying trends.

Figure. 7: Favorite international brands distribution by generation.

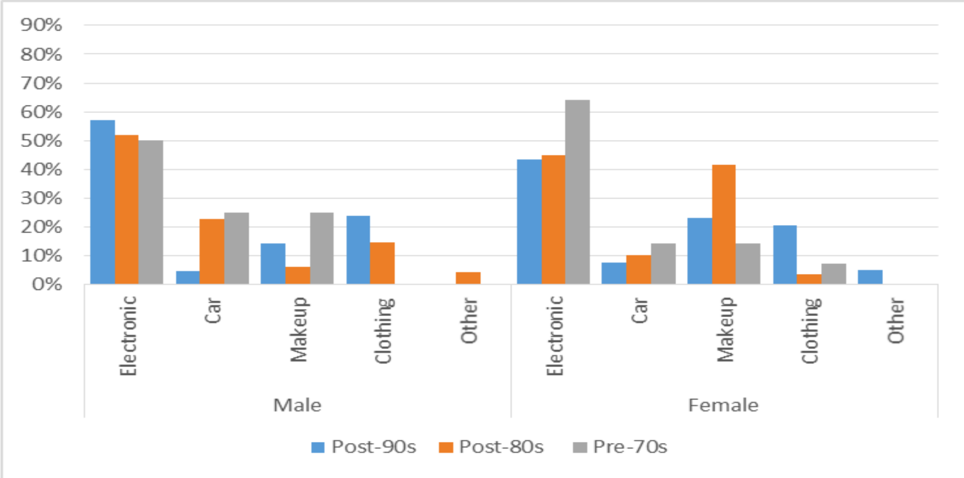
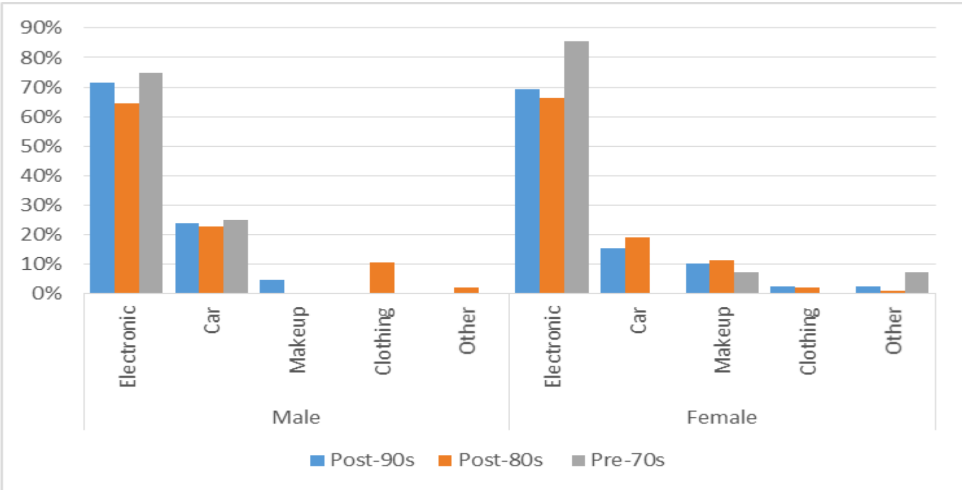


Figure. 8: Favorite Japanese brands distribution by generation.



From Figure 7 and Figure 8, the result shows each generation's tendency of demand and brand awareness. Comparison of international brands, favorite Japanese brands more concentrated in electronics, this suggests that the Japanese electronics brands very popular with Chinese consumers. It also can be described that the selection of other product categories, more people choose non-Japanese brands.

Figure. 9: Why do you love this international brand?

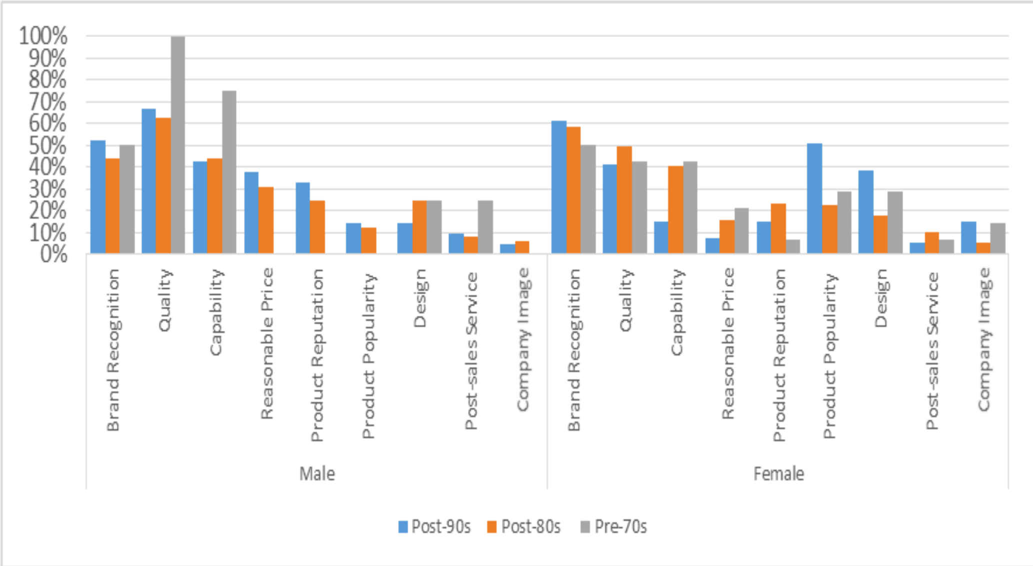
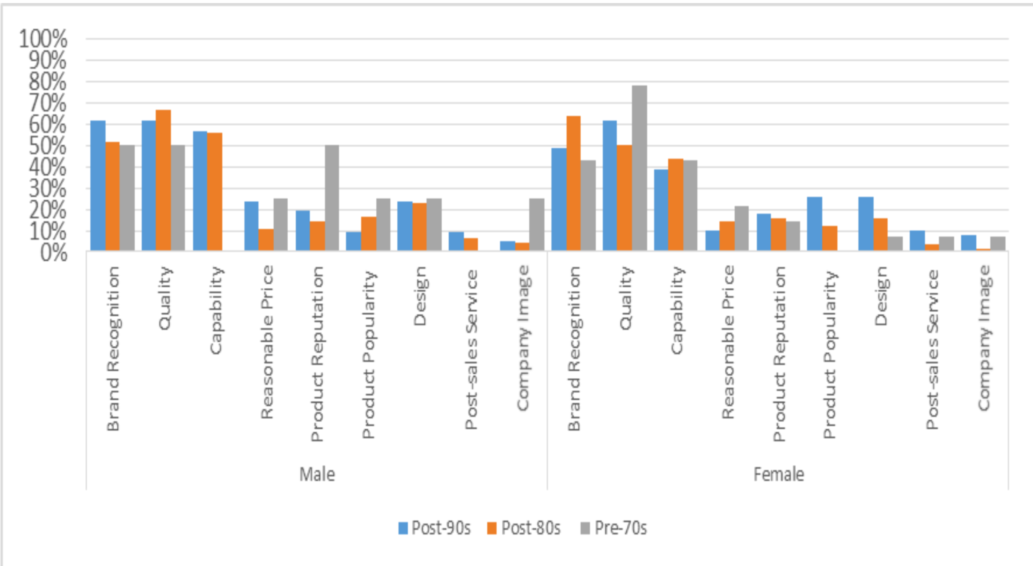


Figure. 10: Why do you love this Japanese brand?



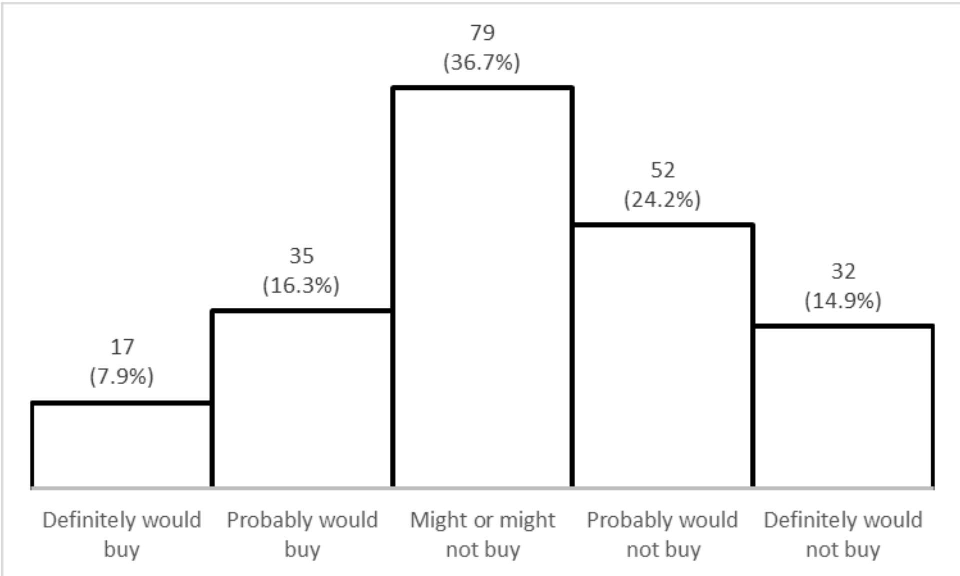
Based on Figure 9 and Figure 10, Brand Recognition, Quality and Capability occupies a great position in the minds of Chinese consumers, each of other reasons, the Japanese brand's score lower than international brands. The special is that post-90s' females attach great importance to the Product Popularity and Design; this may be one of importance brand elements of female consumers in the future.

This result proves that the reason Chinese consumers prefer Japanese brands are mainly good quality and high performance. In addition, in the brand awareness and brand choice, three generations have different feelings and views.

Section 3. PURCHASE INTENTIONS OF CHINESE CONSUMERS

In current situation of poor China-Japan relation, 24.2% of all respondents definitely or probably would buy Japanese products, 36.7% regard might or might not buy Japanese products and 39.1% were probably would not or definitely would not buy Japanese products.

Figure. 11: For your next purchase, how likely are you to purchase a Japanese product?



From the survey, it can be concluded that Japanese companies still have their brand lovers in China even under tense Sino-Japanese relations, for further analysis, all of Chinese consumers will be divided into three groups by their purchase intention level:

1. High purchase intention (24.2%) – consumer who definitely or probably would buy Japanese products.
2. Low purchase intention (39.1) – consumer who probably would not or definitely would not buy Japanese products.
3. Not sure (36.7%) – consumer who might or might not buy Japanese products.

For understanding the difference between high purchase intention group and low purchase intention group, a T-Test analysis was executed between two groups.

Analysis Questions:

- Please score following factors of Japanese products on a 1 to 7 scale. (Including Brand Recognition, Quality, Capability, Reasonable Price, Design, Post-sales Service and Company Image)
- For your next purchase, how likely are you to purchase a Japanese product?

Analysis Method:

- T-Test in SPSS

Table. 1: Group Statistics of T-Test between Please score following factors of Japanese products on a 1 to 7 scales and Purchase Intention groups.

Group Statistics					
	Intention Level	N	Mean	Std. Deviation	Std. Error Mean
Brand Recognition	High	52	5.87	1.329	.184
	Low	84	4.85	1.683	.184
Quality	High	52	6.12	1.041	.144
	Low	84	5.07	1.210	.132
Capability	High	52	6.15	.802	.111
	Low	84	5.02	1.335	.146
Reasonable Price	High	52	5.33	1.167	.162
	Low	84	3.68	1.569	.171
Design	High	52	5.92	.987	.137
	Low	84	4.26	1.644	.179
Post-sales Service	High	52	5.56	1.211	.168
	Low	84	3.51	1.827	.199
Company Image	High	52	5.48	1.527	.212
	Low	84	2.83	1.894	.207

Table. 2: Independent Samples Test of T-Test between Please score following factors of Japanese products on a 1 to 7 scales and Purchase Intention groups.

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Brand Recognition	Equal variances assumed	4.537	.035	3.712	134	.000	1.020	.275	.477	1.564
	Equal variances not assumed			3.922	126.130	.000	1.020	.260	.505	1.535
Quality	Equal variances assumed	2.206	.140	5.150	134	.000	1.044	.203	.643	1.445
	Equal variances not assumed			5.335	120.272	.000	1.044	.196	.657	1.431
Capability	Equal variances assumed	8.738	.004	5.515	134	.000	1.130	.205	.725	1.535
	Equal variances not assumed			6.167	133.910	.000	1.130	.183	.768	1.492
Reasonable Price	Equal variances assumed	4.844	.029	6.536	134	.000	1.648	.252	1.150	2.147
	Equal variances not assumed			6.997	129.426	.000	1.648	.236	1.182	2.114
Design	Equal variances assumed	18.594	.000	6.584	134	.000	1.661	.252	1.162	2.160
	Equal variances not assumed			7.363	133.912	.000	1.661	.226	1.215	2.107
Post-sales Service	Equal variances assumed	12.760	.000	7.155	134	.000	2.046	.286	1.480	2.611
	Equal variances not assumed			7.848	133.320	.000	2.046	.261	1.530	2.561
Company Image	Equal variances assumed	8.251	.005	8.509	134	.000	2.647	.311	2.032	3.263
	Equal variances not assumed			8.947	124.804	.000	2.647	.296	2.062	3.233

From Table 2, all of the values in the Sig. (2-tailed) are less than 0.01, it means that all observations meet the standard for statistical significance. Therefore, it can be concluded that on all factors (Including Brand Recognition, Quality, Capability, Reasonable Price, Design, Post-sales Service and Company Image) of Japanese product scoring, the difference between two groups is very obvious.

And, all of the values in the t are positive numbers, it means that High purchase intention group`s score is more than Low purchase intention group`s on all factors of Japanese product scoring, in other words, High purchase intention group of Japanese products evaluated were higher than Low purchase intention group in all aspects.

Table. 3: Measures of Association of T-Test between Please score following factors of Japanese products on a 1 to 7 scales and Purchase Intention groups.

Measures of Association		
	Eta	Eta Squared
Brand Recognition * Intention Level	.305	.093
Quality * Intention Level	.406	.165
Capability * Intention Level	.430	.185
Reasonable Price * Intention Level	.492	.242
Design * Intention Level	.494	.244
Post-sales Service * Intention Level	.526	.276
Company Image * Intention Level	.592	.351

Table 3 shows the practical significance between the observations and two groups. From the result, it shows that there is a high degree of correlation between all observations and two groups.

Table. 4: Summary of T-Test analysis between "Please score following factors of Japanese products on a 1 to 7 scales." and Purchase Intention groups.

Factors of Japanese products	Intention Level	N	Mean	Std. Deviation	t	Eta Squared
Brand Recognition	High	52	5.87	1.329	3.922 (***)	0.093
	Low	84	4.85	1.683		
Quality	High	52	6.12	1.041	5.150 (***)	0.165
	Low	84	5.07	1.210		
Capability	High	52	6.15	.802	6.167 (***)	0.185
	Low	84	5.02	1.335		
Reasonable Price	High	52	5.33	1.167	6.997 (***)	0.242
	Low	84	3.68	1.569		
Design	High	52	5.92	.987	7.363 (***)	0.244
	Low	84	4.26	1.644		
Post-sales Service	High	52	5.56	1.211	7.848 (***)	0.276
	Low	84	3.51	1.827		
Company Image	High	52	5.48	1.527	8.947 (***)	0.351
	Low	84	2.83	1.894		

(***) $p < 0.01$

In order to find the reasons of differences between the two groups in the evaluation of the Japanese products, it needs to compare with the buying decision behavior of two groups.

Analysis Questions:

- Please select the factors that important to you when you choose a product. (Multiple choice question, Including Brand Recognition, Quality, Capability, Reasonable Price, Design, Post-sales Service, Product Reputation, Product Popularity and Company Image)

Analysis Method:

- Multiple Response Crosstabs in SPSS

Table. 5: Cross Tabulation of Please select the factors that important to you when you choose a product. (Multiple-choice questions)

$Q1*Intention Level Cross tabulation				
		Intention Level		Total
		High	Low	
Quality	Count	35	62	97
	% within $Q1	36.1%	63.9%	
	% within Intention Level	67.3%	73.8%	
	% of Total	25.7%	45.6%	71.3%
Brand Recognition	Count	26	32	58
	% within $Q1	44.8%	55.2%	
	% within Intention Level	50.0%	38.1%	
	% of Total	19.1%	23.5%	42.6%
Capability	Count	23	26	49
	% within $Q1	46.9%	53.1%	
	% within Intention Level	44.2%	31.0%	
	% of Total	16.9%	19.1%	36.0%
Reasonable Price	Count	21	53	74
	% within $Q1	28.4%	71.6%	
	% within Intention Level	40.4%	63.1%	
	% of Total	15.4%	39.0%	54.4%
Design	Count	13	25	38
	% within $Q1	34.2%	65.8%	
	% within Intention Level	25.0%	29.8%	
	% of Total	9.6%	18.4%	27.9%
Post-sales Service	Count	11	18	29
	% within $Q1	37.9%	62.1%	
	% within Intention Level	21.2%	21.4%	
	% of Total	8.1%	13.2%	21.3%
Product Reputation	Count	9	10	19
	% within $Q1	47.4%	52.6%	
	% within Intention Level	17.3%	11.9%	
	% of Total	6.6%	7.4%	14.0%

Product Popularity	Count	3	5	8
	% within $Q1	37.5%	62.5%	
	% within Intention Level	5.8%	6.0%	
	% of Total	2.2%	3.7%	5.9%
Company Image	Count	2	3	5
	% within $Q1	40.0%	60.0%	
	% within Intention Level	3.8%	3.6%	
	% of Total	1.5%	2.2%	3.7%
Total	Count	52	84	136
	% of Total	38.2%	61.8%	100.0%

Table. 6: Comparison of buying decision behavior.

	Intention Level			
	High		Low	
	% within Intention Level	Rank	% within Intention Level	Rank
Quality	67.3%	1	73.8%	1
Brand Recognition	50.0%	2	38.1%	3
Capability	44.2%	3	31.0%	4
Reasonable Price	40.4%	4	63.1%	2
Design	25.0%	5	29.8%	5
Post-sales Service	21.2%	6	21.4%	6
Product Reputation	17.3%	7	11.9%	7
Product Popularity	5.8%	8	6.0%	8
Company Image	3.8%	9	3.6%	9

Table 6 reflects the buying decision behavior of two groups, both of groups most emphasis on quality, and least emphasis on company image. There is no much difference between two groups on Design, Post-sales Service, Product Reputation, Product Popularity and Company Image.

However, the view of two groups is very different on Reasonable Price, Brand Recognition and Capability, especially at Reasonable Price and Brand Recognition. 50.0% of high intention group think Brand Recognition was important, and in low intention group it was 38.1%.

On the other hand, 40.4% of high intention group think Reasonable Price was important, and in low intention group it was 63.1%. High intention group think that Brand Recognition is more important than Reasonable Price, while the opposite viewpoint of low intention group.

So, it can be concluded that Chinese consumer who emphasis on Reasonable Price more than Brand Recognition their Japanese products purchase intention was low.

Section 4. PRODUCT INFORMATION SOURCE AND REASONABLE PRICE EVALUATION

Consumers determine the price of a product is reasonable or not, depending on what kind of product information they get. Therefore, how consumers get the product information will influence the evaluation of Japanese products.

There is an ANOVA for finding out the correlation between Japanese products reasonable price evaluation and product information sources.

Analysis Questions:

- Usually, how do you find out the latest product information in the market? (Including Internet, Magazine, TV AD, Friend Recommend and Professional Recommend)
- Please score following factors of Japanese products on a 1 to 7 scale. (Including Reasonable Price)

Analysis Method:

- ANOVA in SPSS

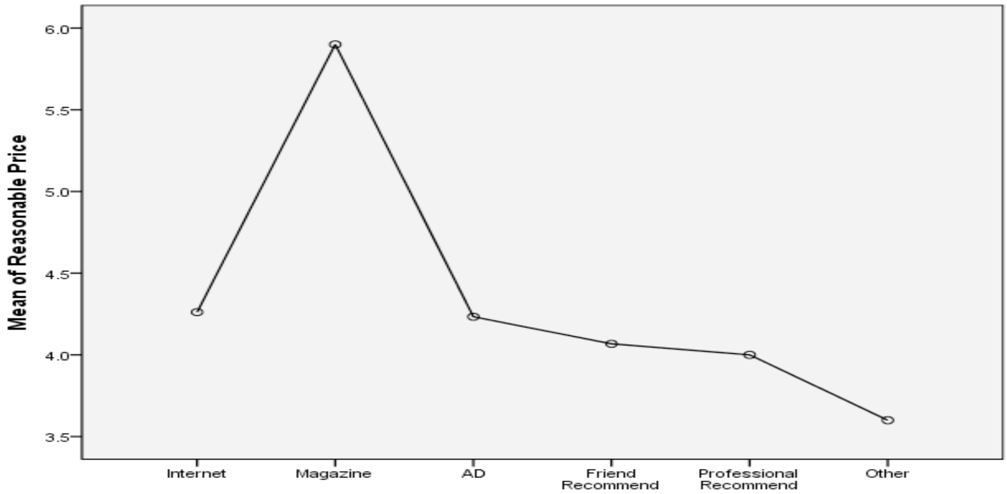
Table. 7: Test of Homogeneity.

Test of Homogeneity of Variances --- Reasonable Price			
Levene Statistic	df1	df2	Sig.
.969	5	209	.438

Table. 18: ANOVA.

ANOVA --- Reasonable Price					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	32.306	5	6.461	2.830	.017
Within Groups	477.117	209	2.283		
Total	509.423	214			

Figure. 12: Means Plots.



Based on Table 7 and Table 8, the value in the Sig. is 0.017 less than 0.05, it means that the observations meet the standard for statistical significance.

From Figure 12, it can be clear that the consumers who get product information from magazine determine the price of Japanese product is more reasonable than consumer get product information from other sources. While, the mainstream of current media which be used by most people has played a negative role, such as network and advertising.

Section 5. JAPANESE PRODUCT PURCHASE INTENTION AND CONSUMER CHARACTERISTICS

What kind of consumers has high or low Japanese product purchase intention, for knowing it, a Correlation analysis was executed between Japanese product purchase intention and Age, Sex and

Monthly income, and then the result shows that only a high-degree of correlation between Japanese product purchase intention and monthly income.

Analysis Questions:

- For your next purchase, how likely are you to purchase a Japanese product?
- Please tell me your monthly income.

Analysis Method:

- Correlations in SPSS

Table. 19: Correlations of purchase intention and monthly income.

Correlations			
		Purchase Intention	Monthly Income
Purchase Intention	Pearson Correlation	1	-.142 (*)
	Sig. (2-tailed)		.037
	N	215	215
Monthly Income	Pearson Correlation	-.142 (*)	1
	Sig. (2-tailed)	.037	
	N	215	215

(*) Correlation is significant at the 0.05 level (2-tailed).

Based on Table. 19, the result returned a high-degree of negative correlation between Japanese product purchase intention and monthly income, it means that the higher monthly income Chinese consumers have lower purchase intention to buy Japanese products.

CHAPTER 5. DISCUSSION

Section 1. RESULT DISCUSSION

The main purpose of this thesis was to explore the factors that influence Japanese brands purchase intention by the "new Chinese consumers". From the result, it can be observed that the Chinese consumers perceive the actual value of a Japanese product high, regardless of whether they choose to buy Japanese products or not. The consumers who have low purchase intention of Japanese products tend to put higher emphasis on "Reasonable Price". This consumer group hopes the Japanese products would lower the price From Chapter 3, a lowered price is able to attract more consumers to buy Japanese products, but the consumers emphasis on the extrinsic cues of products will be difficult to make them shift options. This result is consistent with the results of Dr. Robert Hoffmann's experiment, Chinese consumers do not discriminate against foreign products, they make choices based largely on their individual preferences with regards to a product's intrinsic characteristics, irrespective of its nationality. (By Robert Hoffman, Published Mar 12, 2012)

Product information sources influence consumer purchase intentions, the result showed that only the magazine played a positive role for Japanese products. For the network, China's mainstream media, the criticism of Japan and boycott propaganda is mainly conducted on it, product information obtained from internet is mostly with negative emotions. In contrast, the contents of the magazine are more objective.

The Chinese media often act as a shock amplifier and shock creator. Mass media reports on shocks are typically in line with government views. The media acts as a gatekeeper and only distributes selected news to the readers. In the event of a shock in Chinese-Japanese relations, consumer perception and purchase behavior might change. (By Horres Robert, May 31, 2012, 161)

Under the negative impact of the Japanese brands, Japanese brand lovers and the consumers emphasizing the actual value will be the Japanese brand's major consumer groups, since they have a higher perception of the Japanese products and less impulse response. Therefore, Japanese firms need to signal the actual value of their products more often to the customers in their promotional efforts. Otherwise, accessing to consumers in the emotional branding will be difficult.

Based on the result, a high anti-correlation between Japanese product purchase intention and monthly income, and it stands that the higher monthly income consumers, the lower the intention to make Japanese product purchases. It can be concluded that the low income consumers emphasize the products with high actual value, they want to use less money to buy higher actual quality products. In relate to patriotism, they give priority to their own economic situation, and this consumer segment might be more closer with Japanese brands. This result also proved UNIQLO's new brand positioning in Chinese market is accurate.

Taking all of the above into account, Japanese companies have many obstacles in Chinese market, the biggest should be the instability of bilateral relations. If deterioration relations takes place between the two countries, the Chinese government will expand the negative effect of Japanese companies. On the contrary, even in the close-relation eras between the two countries, due to some historical issues and protectionism of national enterprises, the Chinese government will not play a positive role either.

As of the "new Chinese consumer": the analysis of these two generations or in the result of Dr. Robert Hoffman's experiment, showing that there is not found strong patriotism evidence, but with continuous deterioration bilateral relations, it might wake their patriotism, thus boycott Japanese products.

Therefore, for a more comprehensive analysis, it is necessary to make four assumptions as following:

Hypothesis 1. Close China – Japan relation and low patriotism of Post-80s and 90s

This hypothesis shall be Japanese companies' most desirable external conditions, also it is most favorable for the Japanese brand promotion. Under this hypothesis, due to Chinese local product is still unable to fully meet consumer demand, the main competitors of Japanese brands will be the other international brands in the Chinese market. Before Chinese local products grow up, the core competition will not be the value of the product itself. Emotional branding will be the most able to grasp fashion trends, the brand can deliver emotional value to consumers and quickly occupy

Chinese market.

For Japanese brands, their target shall be all consumer segments, wherein they have to grasp the segment of Post-90s first, because this group is the trends creators in China, and Post-80s are the trends followers, and Pre-80s are trend watchers. However, compared to other international brands, Japanese brands have no advantage on emotional branding, they need timely re-positioning their brand image in the Chinese market.

Regardless of whether Japanese brands to regain success in the Chinese market, they will take a big risk. Because of the Chinese government's local protection and other reasons, they are likely to repeat the crisis for boycotting Japanese brands from the historical point of view. Then the Japanese companies will be forced to change strategy once again, back to the competing through the actual value of products.

Hypothesis 2. Close China – Japan relation and high patriotism of Post-80s and Post-90s

Under this hypothesis, for Japanese companies, targeting all consumer segments will be a more dangerous move. Due to the main consumers' high patriotism, when the rising of Chinese local products happens, Japanese brands will lose more consumers than Hypothesis 1.

Therefore, the main target will be Japanese brand lovers, the secondary target will be the consumer emphasis on the actual value of the product, delivering and promoting higher value products. With the rapid expanding of the brand lover group, it will be the most loyal consumer groups. Prior to Chinese local product growing up, expanding this group as soon as possible will be favorable for Japanese brands.

Hypothesis 3. Deterioration China – Japan relation and low patriotism of Post-80s and 90s

Under this hypothesis, because the mass media is controlled by Chinese government, Japanese companies will have difficulties to promote their brands, but they still can attract consumers through product value, their main target should be consumer emphasizing on the actual value of the product. There are a large number of people in this group. Although the Chinese government will continue to promote a negative impact to consumers, but based on the result in data analysis, lower income people receive smaller impact, Japanese companies can still get their consumers (like UNIQLO). Low-price-high-value products will be very popular in this group.

This hypothesis is different from Hypothesis 2, even if the Chinese local products raised, Japanese brands can still compete them with products.

Hypothesis 4. Deterioration China – Japan relation and high patriotism of Post-80s and 90s

This hypothesis shall be the worst external conditions for Japanese brands. Under this hypothesis, for Japanese brands, the actual value of products is the only tool that can be used in competition, they were forced to reduce costs or even reduce profits to provide higher value products; low-income consumer groups will be the main source of profits.

In summary

Although the above four hypotheses all looks unfavorable for Japanese brands, based on this research, the patriotism of Chinese Post-80s and 90s seems not to be high. In the actual purchase decision-making, they are very sensible. This is also an opportunity for Japanese brands. Paying more attention to the actual purchase behavior of these consumers is recommended.

Section 2. CONCLUSION

Cooney sees China as "an attractive alternative to the U.S. for Japan" (Cooney 2002, 113), and he states that in order for Japan to achieve an "interdependent relationship with China", it has to "deal honestly and forthrightly with its past" (Cooney 2002, 114). He adds, "Japan would have to pay a huge political cost both at home and in pride to ally with China". (Cooney 2002, 115)

According to Cooney, cooperation is the only win-win situation for both China and Japan in the long run. However, it is more dependent on the politics rather than economics, and the relations between the two countries is very complicated, there may be a sudden setback at any time.

For Japanese firms, they need to find out an optimal solution to deal with a variety of external environment, the "new Chinese consumers" might be their best ever target. Japanese brands' good quality and high-tech has left a good impression to the Post 80s and 90s, which is inherent advantages of traditional Japanese firms. But Chinese companies are creating or reinventing their own brands for their nascent ability to compete with their foreign rivals, thus the Chinese government will make greater use of historical issues between China and Japan to boycott Japanese brands expansion. Therefore, Japanese brands may wish to consider actual consumption behavior as opposed to attitudinal responses in designing marketing strategies and promotional efforts.

This thesis proves that Japanese firms need to introduce more affordable products, or highlighting the reasonable price of their products, their main target should be low income and young consumer segment, and it will help them deal with the China market sales under disturbing China-Japan relation or the other negative impacts. Meanwhile, Japanese firms also need to communicate and mark the actual value of their products to the customers, otherwise the customers will not be able to distinguish the Japanese product from other countries, and it is likely that the customers will choose the latter.

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APPENDIX

Appendix. 1: Favorite international brands.

International Brands	Frequency	International Brands	Frequency	International Brands	Frequency
Apple	33	Sharp	2	Ferrar	1
LV	17	Xiaomi	2	Hongdou	1
Sony	12	Honda	2	Benze	1
Chanel	11	Nissan	2	Peugeot	1
Samsung	10	Loreal	2	Bisoudeve	1
Nike	8	Adidas	2	CK	1
GM	6	Converse	2	Estee Lauder	1
Dior	6	Jack&Jones	2	Fresh	1
Canon	5	Lining	2	Gucci	1
Haier	5	Uniqlo	2	Hermes	1
IBM	5	Panasonic	2	Prada	1
Philips	5	Casio	1	Shiseido	1
Nokia	4	Google	1	SK2	1
Toshiba	4	HTC	1	Balenciaga	1
Volkswagen	4	Huawei	1	Camel	1
Lancome	4	Nikon	1	Cocacola	1
Only	4	Nintendo	1	CarrtierSA	1
Lenovo	3	Sanyo	1	Gree	1
BMW	3	Siemens	1	Longine	1
Toyota	3	Bosch	1	Buick	1
Clinique	3	Bose	1	Lamborghini	1
Coach	3	Midea	1	Total	215
HP	2	Audi	1		

Appendix. 2: Favorite Japanese brands.

Japanese Brands	Frequency	Japanese Brands	Frequency
Sony	80	Casio	2
Panasonic	18	Mizuno	2
Toshiba	18	Mitsubishi	1
Canon	17	Sanyo	1
Toyota	16	TCL	1
Honda	15	Kanebo	1
Nissan	9	Kao	1
Shiseido	8	Kose	1
Uniqlo	6	Citizen	1
Nikon	5	Hellokity	1
DHC	5	Yosinoya	1
Nintendo	2	Zojikushi	1
Sharp	2	Total	215

Appendix. 3: Chinese Consumer survey (English translation).

Q1	Please tell me your gender.
Q2	Please tell me your age.
Q3	Please tell me your education.
Q4	Please tell me your monthly income.
Q5	Please select the factors that important to you when you choose a product.
Q6	Usually, how do you find out the latest product information in the market?
Q7	Please tell me the frequency that you buy Japanese products.
Q8	For your next purchase, how likely are you to purchase a Japanese product?
	Question 9 and question 10 are the continuances of Q8, if you selected "Definitely would buy" or "Probably would buy" or "Might or might not buy" in question 8, please answer question 9, if you selected the others, please skip question 9, and answer question 10.
Q9	Please tell me your reasons of choosing Japanese product.
Q10	Please tell me your reasons of not choosing Japanese product.
Q11	Your overall impression of Japanese brands, which of the following most accuracy.
Q12	Please score following factors of Japanese products on a 1 to 7 scale.
Q13	Please tell me the name of your favorite international brand.

Q14	Why do you love this international brand?
Q15	Initially, how do you know this international brand?
Q16	Please tell me the name of your favorite Japanese brand.
Q17	Why do you love this Japanese brand?
Q18	Initially, how do you know this Japanese brand?