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The drivers and antecedents of satisfaction, trust, commitment, and loyalty among Chinese customers

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THE DRIVERS AND ANTECEDENTS OF SATISFACTION,

TRUST, COMMITMENT, AND LOYALTY AMONG CHINESE CUSTOMERS

A Dissertation

by

CHU YUN （楚云）

Submitted to the Graduate School of the
University of Texas-Pan American
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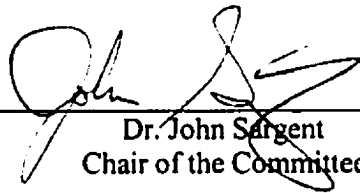
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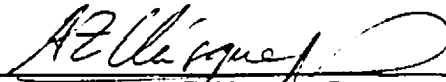
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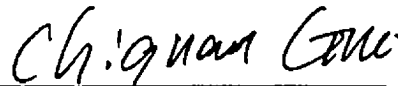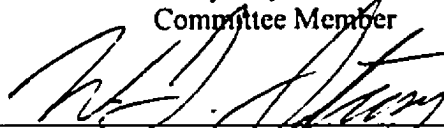
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ABSTRACT

Chu Yun (楚云), <u>The drivers and antecedents of satisfaction, trust, commitment, and loyalty among Chinese customers</u>, Doctorate of Philosophy in Business Administration (Ph.D.), December 2003, 149 pp., 25 tables, 7 illustrations, 148 references.

This dissertation explores the relationship between satisfaction, trust, commitment, and loyalty among Chinese customers. The selection of China as the location for this study is due to a number of factors. China's economic expansion and recent ascension to full membership within the World Trade Association (WTO) has generated "excitement, uncertainty, and fear" (Ghoshal, 2003). In the recent past trade with China has grown at on average of 15 percent a year and foreign direct investment (FDI) into the country has grown even faster (Ghoshal, 2003). This growth may result in an interesting paradox. If China maintains just two thirds of its current rate of growth, by the year 2010 it will simultaneously become the world's largest capitalist and Marxist-Leninist state (Boisot, 1996). Buckley (2002) challenges international business researchers to consider this future state of affairs and to increasingly focus on China as a site for research studies. Finally, the need to generate increased knowledge about the characteristics of China's 1.3 billion potential customers provides yet another reason for the country focus of this dissertation.

The objectives of this dissertation are: 1) to model the way Chinese consumers develop and maintain loyalty, 2) to develop the instruments needed to test hypotheses derived from the model, and 3) to test the hypotheses formulated and thereby identify the drivers of satisfaction, trust, commitment, and loyalty among Chinese customers. A cross-sectional survey method and combined emic-etic research approach are employed to detect and tap the dimensions of satisfaction, trust, commitment, and loyalty among Chinese customers. Survey measures are developed by following the procedures offered by Churchill (1979). Translations and back translation are conducted by following the approach discussed by Hui and Triandis (1985). Reliability and validity issues are discussed.

The results of factor analysis, regression analysis and structured equation modeling show that more than half of the hypotheses are supported. The core model is confirmed with satisfaction, commitment, and trust as independent variables and loyalty as dependent variable. Both the hypothesized and modified models are tested with structural equation modeling. In addition, the interaction effect model shows that some of the Chinese factors add explanation power to the core model.

DEDICATION

TO MY FATHER AND MY GRANDPARENTS

This dissertation is dedicated to my father, Chu Yao-xian (楚耀先), for his whole life of teaching, which made me able to face the hardships in my life and be strong enough not to give up whatever I undertook. I am grateful to my grandparents, Chu Shu-zhi (楚书志), Li Guo-hua (李国华) and Li Qiao-zhen (李巧真) for their genuine love which built a solid foundation for my confidence to be able to do everything well. These four lovely persons built my personality which is what I was/am/will be. There is nothing I fear in my life with them in my heart. I love them and they have never been out of my mind and thoughts. They always live in my heart.

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A special thanks to all the participants in my survey who supported the research and dedicated their time and knowledge to have the research accomplished on time. I greatly appreciate all the people who have helped me. Thanks to all of you.

Chu Yun (楚云)

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CHAPTER I

INTRODUCTION

Introduction and Overview

One of the most important concerns for businesses is how to win customers' repeat patronage and maximize profit. This leads both practitioners and academics to study factors such as customer satisfaction, trust, and commitment and their relationship to repeat purchases and customer loyalty. This study is designed to add to the existing research that explores the drivers and antecedents of customer loyalty.

Customer satisfaction appears to lead to loyalty and continued patronage (Kabadayi & Gupta, 2003; Tellis, 1988). This has been empirically corroborated by existing research. For example, Menon et al. (1999) found that satisfaction has a strong effect on the decision to repurchase from a vendor and to expand the buyer-seller relationship. In addition, Caruana (1999) found that overall satisfaction has an important effect on customer service loyalty.

In the relationship marketing literature, satisfaction is regarded as an important variable. However, some academicians argue that satisfaction *per se* might not automatically lead to loyalty (Bejou et al., 1998; Reichheld & Aspinall, 1993) and other factors, such as trust and commitment, should also be considered. This is because

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commitment and trust are central to successful relationship marketing, and empirical findings confirm that commitment and trust lead directly to cooperative behaviors that are conducive to relationship marketing success (Morgan & Hunt, 1994).

Vasquez-Parraga and Alonso (2000) propose that in order to have customer loyalty, relationship commitment serves as a precursor. In addition, they propose that trust serves as an antecedent leading to commitment. In support of these relationships, empirical results show that trust and commitment are key variables mediating successful relationship marketing in the tire dealer industry (Morgan & Hunt, 1994), in long-distance telephone service (Alonso, 2000), and with online CD selling (Kabadayi & Gupta, 2003). Evidently, it might not be possible for people to commit to anyone or any organization when there is a lack of trust separating the various parties. In other words, without trust there can be no commitment.

Arnould et al. (2004) depict the relationship between trust and commitment such that trust and commitment based adaptations are often reciprocal. Buyers and sellers adapt to each other. In many service companies, the interaction between customers and a company's sales personnel are often of critical importance in the development of these factors. Consistent with previous research, Bejou et al. (1998) found that the development of trust is an important factor contributing to relationship development and that trust is seen as important influence on overall satisfaction with the relationship.

Fullerton (1999) empirically demonstrates that the measures of three types of commitments (affective, continuance, and normative) in employment relationships can be adapted to measure customer commitment to the organization in marketing

relationships. Furthermore, commitment is found to boost relationship performance cross-culturally (Skarmeas et al., 2002).

To summarize, previous research supports a linkage among satisfaction, trust, commitment, and loyalty. Therefore, this study proposes that satisfaction leads to trust (Chaudhuri & Ray, 2003; Kim, 2001; Alonso, 2000; Vasquez-Parraga & Alonso, 2000), trust leads to commitment (for without trust no commitment will develop) (Chaudhuri & Ray, 2003; Kim, 2001; Yilmaz & Hunt, 2001; Alonso, 2000; Vasquez-Parraga & Alonso, 2000; Morgan & Hunt, 1994), and finally, commitment leads to customer loyalty (Chaudhuri & Ray, 2003; Alonso, 2000; Vasquez-Parraga & Alonso, 2000; Pritchard et al., 1999).

Statement of Problem

There are at least three reasons why satisfaction and/or loyalty of Chinese customers are under-researched and therefore merit further research attention. First, from a culture standpoint, the Chinese people tend to look down on business people. Chinese society has often viewed businessmen and women as profiteers and unscrupulous merchants. An old Chinese saying states that one cannot be a businessperson or merchant if s/he is not a profiteer (wu jian bu shang, 无奸不商); therefore, few Chinese scholars research this area.

Second, since China opened to the outside world in 1978, through joint ventures and as wholly owned subsidiaries, foreign manufacturers have established operations in the country. The retailing industry, however, did not open up until China joined the

World Trade Organization (WTO) in 2001. At that time, seven cities were approved as locations for foreign joint retailing ventures (Zhong, 2001). Rather than be dependent on just traditional stores, Chinese customers in these cities now have more choices (Chu et al., 2002). Whether Chinese customers are loyal to their traditional stores, to new store formats, or to foreign stores is not known. Moreover, Ghoshal (2003) notes that China's accession to the WTO in December, 2001 is beginning to change the economic landscape of East Asia and have a profound impact not only on China and East Asia but the rest of the world.

Given these factors, and considering both the work of Western scholars writing about China and Chinese researches studying their own country, there is a scarcity of research examining the retail sector in China. Because of China's new role in the world economy and the "increasing challenges facing practitioners when dealing with customers in different cultures that have diverse wants, norms, needs, values and behaviors" (Broyles & Myers, 2003), there is clearly the need to learn more about how to succeed in China's market. Even local Chinese retailing stores, like *Asia* (*ya xi ya*, 亚细亚) and *Commercial Department Store* (*shang ye da sha*, 商业大厦), have problems maintaining their customers' satisfaction and/or loyalty.

Research on customer loyalty is ubiquitous in the Western world. However, multinational firms tend to rely on relatively little information when addressing satisfaction across cultures (Broyles & Myers, 2003). Whether the traits of satisfaction, trust and commitment recognized in the Western business literature will hold cross-culturally is largely unknown (Suh & Yoon, 1999). Market opportunity has attracted firms from all over the world to invest in China, but both practitioners and academicians

are struggling to learn more about the wants and purchasing behaviors of Chinese customers.

Thus, there are at least three reasons to investigate the characteristics of satisfaction and/or loyalty with Chinese customers: 1) little research exists examining the behavior of Chinese customers, 2) China's new role in the world economy creates a need for more systematic study, and 3) the need to understand customer loyalty in China represents an important challenge for both academics and practitioners. How to gain customers' loyalty is, in and of itself, a topic attracting considerable attention in the Western business and academic press. Given its unexplored nature, the question of how to gain the loyalty of China's 1.3 billion potential customers represents an interesting and important extension of research in the relationship marketing field.

Significance of the Research

In 2002, Peter Buckley (2002) challenged researchers to consider the current relevance and the future of studies in international business. While characterizing much of the research appearing in even top international business journals as based on outdated ideas, he identifies research examining China's development and success as a priority for the field. Other recognized scholars share a similar view. Ghoshal (2003) stated that the increased interest in China, and China's entry into the WTO has caused excitement, uncertainty, and even fear in the rest of the world. This is due to not only the sheer size of the Chinese economy, but also to the speed of its economic expansion. Since economic reform began in 1978, China's economy has grown by an average of eight percent per year while international trade has expanded on average by 15 percent

per year. Foreign direct investment (FDI) into the country has grown even more rapidly

than the overall economy and international trade (see Figure One).

Figure 1

Growth in Chin..se Exports and FDI

China's Export and FDI

	1990	2000	2002
Export	50	250	325
FDI	4	40	53
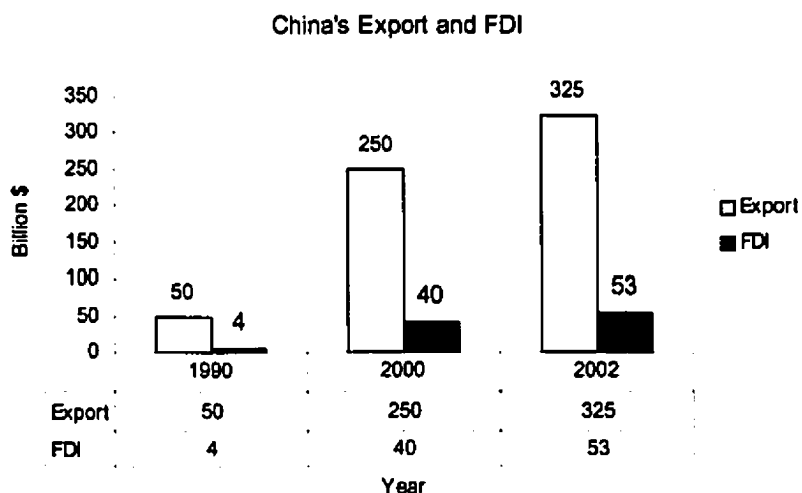
Year

Source: Ghoshal (2003, p. 5)

As a result of this impressive economic performance, Ghoshal (2003) indicates

that "China is very likely to have overtaken the United States as the biggest recipient of

FDI last year. In 2002, China replaced the U.S. as the major exporter to Japan, and at

the firm level, surpassed the U.S. as the major foreign market for Volkswagen." These

findings tend to support Boisot (1996) and his contention that that in all probability by

the year 2010 China will become at one and the same time the world's largest capitalist

as well as Marxist-Leninist state.

China's potential as a consumer of Western goods is truly astounding. With a

population of 1.3 billion people, even if the average person in China purchased a firm's

product or service only once a year annual sales could reach into the billions. Given the scarcity of research examining the retailing sector in China, the emphasis placed on China within the field of international business studies, and China's economic impact on the world economy, this dissertation and its focus on better understanding the factors resulting in Chinese customers' loyalty appears to be especially timely and may represent a valuable contribution to both theory and practice.

Research Questions

This study will examine the following research questions:

1. What is the process whereby Chinese customers develop and maintain loyalty? That is, what are the drivers of customer loyalty in China?

2. Are those drivers, such as satisfaction, trust, and commitment developed in the West, also drivers among Chinese customers? That is, do measures of customer loyalty developed and used in the West represent reliable and valid measures when employed to measure Chinese customer loyalty?

3. What other drivers, if any, can help explain loyalty among Chinese customers?

Statement of Purpose

The objectives of this study are: 1) to model the way Chinese consumers develop and maintain loyalty, 2) to develop the instruments to test hypotheses derived from the model, and 3) to test the hypotheses formulated and, by doing so, identify the drivers of satisfaction, trust, commitment, and loyalty among Chinese customers.

Research Process

This study employs two research approaches: a deductive-inductive research approach and a combined emic-etic approach. I present a thorough literature review addressing the core constructs of this research: satisfaction, trust, commitment and loyalty. This is done deductively. In addition, I develop new instruments to account for the peculiarities of the Chinese customer. This is done inductively. For the combined emic-etic approach, I integrate key concepts from the Western literature on relationship marketing with studies of the Chinese personality and value system. Since values may influence Chinese consumer behavior, I present a thorough review of relevant literature on the Chinese value system.

This review uncovered 193 variables that may impact Chinese purchasing behavior and the development of a long term relationship with providers of goods and services. A sample of people from mainland China (hereafter refers to Chinese nationals) living in the United States was used to screen the 193 variables. Statistical (mean analysis) results of the screening (12 variables) were ranked utilizing another sample of Chinese nationals living in the United States. The rationale of choosing this group of people is that they are as representative as possible of the ultimate population

for which the scale is intended (Spector, 1992). By going over the literature and statistical results of the ranking, nine items stood out for instrument development. These emic items include courtesy, kindness, face (*Mian Zi*), *Ren Qing*, harmony with others, responsibility, angry hostility, positive emotion, and honesty. In order to determine the usefulness of items taken from Western scales as well as concepts thought to be especially relevant within the Chinese culture, a pretest was conducted with a sample of Chinese nationals living within the United States. Results from this sample were statistically analyzed to determine the face and content validity of the measurement instrument. This instrument was used to collect final data from a Chinese sample (212 surveys) in the People's Republic of China (China). Since surveys sent through the mail in China often suffer from a low response rate, the data was collected by relying upon several trusted associates.

In developing the new measures, three criteria for good measurement will be taken into account: reliability, validity, and sensitivity (Zikmund, 2003). The pretest data analysis involved such statistics as correlation coefficients, Cronbach's alpha, coefficient alpha, split-half reliability, and exploratory factor analysis (Churchill, 1979; Spector, 1992). A five-point Likert scale was employed in the test as a more sensitive measure, for it has the ability to accurately measure variability in stimuli or responses (Zikmund, 2003). The reliability and validity of measurement were assessed using the above mentioned statistics. Therefore, after screening, ranking, and the pretest, the final questionnaire was developed based on the results of the pre-test and consulting the literature.

The final questionnaire was sent to several associates in China for conducting survey data collection. Initially, the data collection was to be conducted in four Chinese cities: Beijing, Shanghai, Zhengzhou, and Guangzhou, as these four cities are considered more representative of the full Chinese population when compared to other cities. The SARS outbreak, however, forced the sample to be drawn from Zhengshou. The final sample size consisted of 212 potential customers in mainland China. The number meet the requirement of five times as many observations as there are variables to be analyzed within the confirmatory factor analysis (Hair et al., 1998; Nunnally & Bernstein, 1994), regression analysis and structural equation modeling (Kline, 1998) statistical tests.

Finally, two statistical methods were employed to test the hypotheses: regression analysis and structure equation modeling. Exploratory factor analysis and confirmatory factor analysis were conducted along the way in order to assess reliability and validity. The results, conclusions, limitations, and recommendations for future research are presented in the last two chapters. See Figure 2 for the full research process and the outline of this dissertation.

Figure 2

Research process and outline of the dissertation

RESEARCH PROCESS AND STRATEGY

OUTLINE OF THE DISSERTATION

Deductive-inductive research process

briefly review literature on the core constructs
China's economic position, scarcity literature, cross-cultural compatible
brieftly summarize existing various studies
briefly introduce and overview the study
summary of the chapter
briefly introduce and overview the study

CHAPTER 1: Introduction

Introduction and Overview
Statement of Problem
Significance of the Research
Research Questions
Statement of Purpose
Research Process
Chapter Summary

To elaborate LOYALTY in the business literature:
frequently purchased package goods (brand loyalty),
Industrial goods (vendor loyalty), services (service loyalty), and retail establishments (store loyalty)

Crossing dialogue

To widen the perspective: with literature from sociology, anthropology, political science

CHAPTER 2: Literature Review

Introduction and Overview
Theoretical Foundation
Core Concepts and Relationships: Satisfaction, Trust, Commitment, Loyalty
Chinese Factors and Relationships: Courtesy, Positive Emotions, Honesty, Ren Qing, Harmony with Others, Face (Mian Zi), Kindness, Responsibility, Angry Hostility
Propositions and Hypotheses
Chapter Summary

Combined emic-etic research strategy

screening (193 variables), ranking (12 variables), pretest (71 items), interviews, and on-site observations

survey in PRC

survey method: self-reported questionnaire

CHAPTER 3: Research Design and Methodology

Introduction and Overview
Measures: Imported & Indigenous Constructs
Sampling Design & Frame, Sample
Data Colleting, Instrument & Measures Development
Screening, Ranking, Translation Procedure, Pretest
Rationale of Current Instrument Format
Procedures, Proposed Statistical Techniques
Non-response Bias, Missing Values, Outliners
Measure Validity and Reliability, Scale Evaluation

statistical analysis of survey data: reliability, validity, confirmatory factory analysis, regression and SEM

analysis of all data

interpretation of all data

CHAPTER 4: Empirical resutls

sample characteristics
factor analysis / confirmatory factor analysis results

reliability and validity issues
path model
regression model
confirmatory model / SEM

CHAPTER 5: Conclusions, limitations, and suggestions for future research

Adapted from Polsa (2002)

Chapter Summary

The aim of this study is to empirically examine the relationships between satisfaction, trust, commitment, and loyalty among Chinese customers. Specifically, this study utilizes a cross-sectional survey design to assess the impact of satisfaction, trust, and commitment on the loyalty of Chinese customers in the retailing industry. The quantitative data was collected from peop who have shopping experience and might be purchasing decision makers. This data reflected the opinion and/or perception of customers regarding their long-term relationship between themselves and their chosen retail store.

Overall, this chapter includes the statement of the problem, posits the research questions, stresses the significance of the research, addresses the statement of purpose, and briefly describes the research process. In the next chapter, the rationale of a combined emic-etic approach is discussed (Hui & Triandis, 1985). In addition, the full literature review is presented, propositions are developed, and the study's hypotheses are specified.

CHAPTER II

LITERATURE REVIEW

Introduction and Overview

Considerable research has been done examining the constructs of satisfaction, trust, commitment, and loyalty. See the following table for a summery of these studies.

Table 2.1

Summary of Studies on Satisfaction, Trust, Commitment, and/or Loyalty

Constructs and concepts studied	Sources
Commitment, drivers of commitment	(Fullerton, 1999; Skarmeas et al., 2002)
Commitment and loyalty	(Gilliland & Bello, 2002; Pritchard et al., 1999)
Loyalty (behavioral), and marketing mix	(Yim & Kannan, 1999)
Loyalty (online) and its antecedents, online trust, online satisfaction	(Kabadayi & Gupta, 2003)
Loyalty and environmental information	(Proto & Supino, 1999)
Loyalty and revenue, long-life customers	(Reinartz & Kumar, 2000)
Value, repeat patronage and loyalty	(Blackwell et al., 1999)

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Table 2.1

Summary of Studies on Satisfaction, Trust, Commitment, and Loyalty (continued)

Satisfaction, and factors on customer satisfaction	(Smith & Bolton, 2002; Broyles & Myers, 2003; Hess et al., 2003)
Satisfaction and intention to stay	(Burnham, Frels et al. 2003)
Satisfaction and loyalty	(Ganesh et al., 2000; Oliver, 1993; Andreassen, 1999; Menon et al., 1999; Moon & Kang, 1999)
Satisfaction and loyalty (online shoppers)	(Dadzie et al., 2003)
Satisfaction, desires and desires congruency	(Laran et al., 2003)
Satisfaction, emotions, and repeat patronage	(Dick & Basu, 1994)
Satisfaction, loyalty, and information	(Stratigos, 1999)
Satisfaction, loyalty, repurchase loyalty, and quality	(Caruana, 1999; Olsen, 2002)
Satisfaction, trust and commitment in a retailing environment	(Chaudhuri & Ray, 2003)
Satisfaction, trust, and commitment	(Garbarino & Johnson, 1999)
Satisfaction, trust, commitment, and intentions to stay	(Kim, 2001)
Trust	(Li & Miniard, 1999; Swan et al., 1999)
Trust (internet consumer trust)	(Aiken et al., 2003)
Trust and commitment	(Morgan & Hunt, 1994; Brashear et al., 2003; Yilmaz & Hunt, 2001)
Trust and different cultures	(Suh & Yoon, 1999)

Table 2.1

Summary of Studies on Satisfaction, Trust, Commitment, and Loyalty (continued)

Trust and loyalty	(Sirdeshmukh et al., 1999)
Trust and satisfaction, and loyalty	(Bejou et al., 1998; Nijssen et al., 1999)

Theoretical Foundation

"Too often, the constant push to increase sales and market share leads companies away from their current customers toward finding new ones. Such a strategy is a terrible waste of time and money. The most effective way to assure the growth in profitability is to turn your existing customers into champions" (Alessandra, 2001).

Consumer purchase intention is a vitally important issue both for practitioners and academia. Which construct is the most predictive of a consumer's future intentions is still a prominent debate (Garbarino & Johnson, 1999). Dick and Basu (1999) propose a conceptual framework for customer loyalty, which states three antecedents: cognitive, affective, and conative. These three antecedents lead to a relative attitude which in turn leads to repeat patronage, and repeat patronage leads to consequences, such as search motivation, resistance to counter persuasion, and word-of-mouth (Dick & Basu, 1994). They state that the relative attitude with repeat patronage leads to four specific conditions related to loyalty: no loyalty, spurious loyalty, latent loyalty, and loyalty.

In the business world, to set oneself apart from the competition and to be a leader in the market, businesses have to move away from transactional customer satisfaction and toward customer loyalty (Alessandra, 2001). Therefore, loyalty (permanent customer loyalty) is examined in this dissertation. Loyalty in the business literature includes: 1) frequently purchased package goods (brand loyalty), 2) industrial goods (vendor loyalty), 3) services (service loyalty), and 4) retail establishments (store loyalty) (Dick & Basu, 1994). This study examines retail establishments (store loyalty) only.

Commitment and trust, in addition to satisfaction and loyalty, are central to successful relationship marketing, and the empirical findings show that these factors lead directly to cooperative behaviors that are conducive to relationship marketing success (Morgan & Hunt, 1994).

When customer loyalty, however, is studied among Chinese customers, additional considerations need to be taken into account. The Chinese culture is characterized by collectivistic orientation, other orientation, relationship orientation, and authoritarian orientation (Cheung et al., 2001). Relationships are very important in Chinese society. In this study, store employees will be considered as the main service providers. Thus, satisfaction with a store will be measured as satisfaction with the store employees. Satisfaction with the store employees is regarded as an attitudinal construct that will create a positive impact and perception on the long-term relationship between the store and its customers.

The following section contains an explanation of the key constructs and their antecedents and drivers.

Core Concepts

Satisfaction

This study defines satisfaction as "a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations" (Kotler, 2000, p. 3). Satisfaction is closely related to performance (Arino, 2003) and repurchase loyalty, because to create behaviorally loyal customers a linkage between satisfaction and loyalty is necessary (Kristensen et al., 2001; Olsen, 2002).

Trust

In any relationship, trust plays an important role. Trust is defined as one party's belief in the reliability and integrity of an exchange partner (Arnould et al., 2004) and dependability (Brashear et al., 2003; Kumar, 1996). If there is no trust, it may be that no long term relationship is possible. Kumar (1996) found that business partners trusting each other will generate greater profits. Furthermore, developing trust can reduce transaction costs, help firms adapt quickly to marketplace changes, and help employees develop more creative solutions to meet consumers' needs (Kumar, 1996).

Commitment

Commitment refers to an enduring desire to maintain a valued relationship (Arnould et al., 2004, p. 549). Commitment is found to reduce turnover intention in organizations and leads to good relationships (Brashear et al., 2003). Moreover,

empirical results demonstrate that commitment is positively related to the enforcement

mechanism employed to maintain channel arrangements (Gilliland & Bello, 2002).

Loyalty

      We defined customer loyalty as a customer's commitment to a store or a

supplier, based on a strong favorable attitude and manifested in consistent repeat

purchase (Sheth et al., 1999, p. 701). Loyal customers have been found to spend double

the amount in their "first choice" store although they have smaller monthly budgets than

switchers (Knox & Denison, 2000). Garbarino and Johnson (1999, p. 72) have noted

that "a crucial issue in the research of global evaluations is to identify which evaluative

construct is the most predictive of future intentions of consumers." Customer loyalty

represents an important basis for developing a sustainable competitive advantage that

can be realized through marketing efforts.

      Dick and Basu (1994) define customer loyalty as the relationship between

relative attitude and repeat patronage. In their study emotions and satisfaction are

treated as affective antecedents to repeat patronage and loyalty. In addition, Moon and

Kang (1999) propose another conceptual framework with loyalty, which includes the

consumer side of loyalty and the company side of loyalty. They propose that customer

satisfaction/complaint are antecedents of loyalty/repeat purchase on the consumer side

of loyalty (Moon & Kang, 1999). "A consumer loyalty to a brand (store or service), or

a committed customer, has an emotional attachment to the brand or firm [store]"

(Hawkins et al., 2004, p. 646). One way loyalty has been studied is to examine its

antecedents: satisfaction, trust, and commitment (Alonso, 2000; Vasquez-Parraga & Alonso, 2000).

Overall, satisfaction, trust, and commitment play an important role in developing customer loyalty. In the following section I discuss the relationships between these constructs.

Relationships among Core Concepts

Relationship of customer satisfaction and trust (satisfaction → trust)

Satisfaction is defined as pleasurable fulfillment (Oliver, 1997, 1999). The consumer senses that consumption fulfills some need, desire, or goal, and that this fulfillment is pleasurable (Oliver, 1999). Satisfaction with service dimensions related to interaction with a firm's representatives is likely to be more important than satisfaction with the other service dimensions (Ganesh et al., 2000). Satisfaction has been found to be an antecedent of trust (Alonso, 2000; Kim, 2001). Thus, the proposition and hypothesis were formulated as the following:

> Proposition 1: Satisfaction has a positive impact on customers' trust
> toward the store they are using.

> Hypothesis 1: The more satisfaction the customers have, the more trust
> the customers have toward the store they are using.

Relationship of customer trust and commitment (trust → commitment)

Trust is defined as existing when one party has confidence in an exchange partner's reliability and integrity, and is regarded as central to relational exchange

(Morgan & Hunt, 1994). In the communication literature, "if you cannot present yourself as a credible source, nothing you can say will make you persuasive" for "credibility may be defined as a multidimensional perception of trust, belief, and/or confidence" (Strong et al., 1996). The salesperson is a key factor in trust development in business-to-business marketing (Swan et al., 1999). We believed that the more reliable and accountable the stores are, the more trust the customers have toward the store they are using. Thus, the proposition and hypothesis were formulated as the following:

> Proposition 2: Trust has a positive impact on customers' commitment toward the store they are using.

> Hypothesis 2: The more trust the customers have toward the store they are using, the more commitment the customers will have toward the store.

Relationship of customer commitment and loyalty (commitment → loyalty)

Another antecedent considered to lead to customer loyalty is commitment (Day, 1969). Morgan and Hunt (1994) define relationship commitment as "an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely" (p. 23). There are three types of customer commitment; affective commitment, continuance commitment, and normative commitment (Fullerton, 1999). Additionally, Fullerton (1999) defines affective commitment as reflecting trust, shared values, attachment, loyalty and

identification. I believe that the more identified with/belonging to/caring of the stores the customers are, the more loyalty the customers will have toward the store they are using. Thus, the proposition and hypothesis were formulated as the following:

> Proposition 3: Commitment has a positive impact on customers' loyalty toward the store they are using.

> Hypothesis 3: The more commitment the customers have, the more loyalty the customers would have toward the store they are using.

Chinese Factors and Relationships

The previous relationships within the marketing literature are well established in the Western world. This research will study them in the Chinese context. In addition, this research explores other factors that may help explain how Chinese consumers become loyal to their stores. Customers in different cultures often have different wants, norms, needs, values and behaviors (Broyles & Myers, 2003). It may be true, for example, that in China people express loyalty more towards people than to a store. Chinese people may not establish strong, long-term relationships with the stores they are using. Instead, customers may focus on the relationships they have with store employees. For the stores, Alessandra (2001) contends that "to achieve sales success, you must develop long-term relationships with your best customers." Therefore, this study attempts to identify the drivers of long-term relationships between customers and stores they are using. In this research, the long-term relationship with Chinese customers is regarded as the equivalent of loyalty in the Western business literature.

This dissertation uses variables from the Chinese value literature in order to more fully understand the antecedents and drivers of the core constructs of satisfaction, trust, commitment, and loyalty. Values have been shown to be fairly consistent over time and may serve as good indicators of the factors that shape customers' behaviors.

We would assume that attitude and perception can change anytime; however, values are generally stable over time (Mowen & Minor, 2001). Arnould et al. (2004) present an attitude-behavior hierarchy which shows that within any given consumption choice situation, abstract values affect midrange attitudes that lead to specific consumer behaviors. Blackwell et al. (1999) state that to "increase brand loyalty effectively, value must be addressed in terms of satisfying the customer" (p. 364). Their findings strongly support the role of value in mediating the relationship between antecedent processes and repeat patronage. They found that perceived value has a meaningful role in determining an individual's intention to repurchase.

The Western business literature states that loyalty will be a good predictor of the consumers' future intentions (Dick & Basu, 1994). In addition, satisfaction may lead to trust, and trust may be an antecedent to commitment, and these three constructs may be the drivers of customer loyalty (Alonso, 2000; Vasquez-Parraga & Alonso, 2000). Since people from different cultures might perceive these constructs differently, this study will detect what are the drivers to these core constructs from the viewpoint of Chinese customers. Therefore, the following indigenous constructs from the Chinese value system are treated as the antecedents of satisfaction, trust, and commitment, which in turn serve as the antecedents of loyalty.

Using several methods (see methods chapter), I identified nine variables based on the Chinese personality and value system which serve to moderate the relationships discussed in this study. These variables are; courtesy, positive emotions, honesty, *Ren Qing*, harmony with others, face (*Mian Zi*), kindness, responsibility, and angry hostility. A description of each of these indigenous variables is presented in the next section.

Courtesy (courtesy → satisfaction)

Courtesy has been rooted in the Chinese culture dating back several thousand years. Phrases like *li shang wang-lai* (courtesy demands reciprocity) and *li xian xia shi* (treat worthy men with courtesy) have been common in China and in ethnic Chinese societies. Matthews (2000) observes that the Chinese tend to avoid assertive or competitive behavior as it produces conflict, a lack of harmony, and is regarding as socially unacceptable. Sublimation of personal goals to the collective whole is helpful in promoting values such as courtesy and modesty (Matthews, 2000). In the period of the Three Kingdoms (220-265), Sun Quan [a well-known general in Chinese history] treats able men and scholars with the greatest courtesy and so they gather around him (Wei et al., 1982). Therefore, the proposition and hypothesis are formulated as the following:

Proposition 4: Courtesy has a positive impact on customers' satisfaction toward a store.

Hypothesis 4: Greater courtesy on the part of the employees, as perceived by the customer, leads to more customer's satisfaction.

Positive Emotions (positive emotions → satisfaction)

Emotions are treated as affective antecedents to repeat patronage and loyalty (Dick & Basu, 1994). Emotion is defined as a feeling, mood, and sentiment (Wu et al., 1986). Positive emotion usually makes people happy and joyful, which tends to facilitate intense interpersonal interaction. This is why some big retailing stores in China train their employees to regard their stores as their homes. Thus the following proposition and hypothesis are formulated:

> Proposition 5: Positive emotion has a positive impact on customers'
>
> satisfaction toward a store.
>
> Hypothesis 5: Greater positive emotion on the part of the employees, as
>
> perceived by the customer, leads to more customer's
>
> satisfaction.

Honesty (honesty → trust)

Honesty is defined as being honest and dependable (Wu et al., 1986). Veracious has a similar meaning to honesty when it is translated into Chinese. "Veracious individuals are loyal and honest, keep their feet on the ground, work hard without pretense, uphold their principles, and sacrifice their personal interests for the group. However, people who are overly veracious may be inflexible and unadaptable" (Cheung et al., 1996). In the Western business literature, honesty has been treated as an independent variable leading to trust (dependent variable). In other words, honesty is a determinant of customer trust in the salesperson (Swan et al., 1988). This study

considers store employees as playing the role of salespeople. Therefore, the proposition and hypothesis are formulated as the following:

> Proposition 6: Honesty has a positive impact on the trust relationship between customers and store employees.

> Hypothesis 6: Greater honesty on the part of the employees, as perceived by the customer, leads to more customer's trust.

Ren Qing (Ren Qing → trust)

A peculiar phenomenon in Chinese culture is *Ren Qing*. Sometime Chinese feel that it is too much to owe someone *Ren Qing* for they must return *Ren Qing* back whenever people need it back. However, people would not survive without *Ren Qing* in China. Everybody owes everybody *Ren Qing*. It is ubiquitous. Cheung et al. (2001) observed that *Ren Qing* (relationship orientation) covers adherence to cultural norms of interaction based on reciprocity, exchange of social favors, and exchange of affection according to implicit rules. Therefore, the proposition and hypothesis are formulated as the following:

> Proposition 7: *Ren Qing* has a positive impact on the trust relationship between customers and store employees.

> Hypothesis 7: Greater *Ren Qing* on the part of the employees, as perceived by the customer, leads to more customer's trust.

Harmony with Others (harmony with others → trust)

Cheung et al. (2001) defines harmony as referring to one's inner peace of mind, contentment, interpersonal harmony, avoidance of conflict, and maintenance of equilibrium. Many perceive ethnic Chinese as among the most competitive of all peoples. However, Matthews (2000) observes that it is considered in very poor taste among Chinese people to condone aggressive competition. This is because harmony dominates the minds of the Chinese. Jarvis and Chu (2001) argue that the sublimity for the Chinese to achieve is the mean (never go to the extreme, persist in the middle for it will never cause you trouble). Additionally, in the ancient Chinese business literature there are such sayings as "*he qi sheng cai* " (harmony brings you fortune and money) and "*he wei gui*" (harmony is the best). This supports the view that Chinese businesspeople will prefer to use mediation or negotiation to settle their disputes rather than other means (Jarvis & Chu, 2001). Thus, the proposition and hypothesis were formulated as the following:

> Proposition 8: Harmony with others has a positive impact on the trust relationship between customers and store employees.

> Hypothesis 8: Greater harmony with other on the part of the employees, as perceived by the customer, leads to more customer's trust.

Face (*Mian Zi*) (face → trust)

Face depicts the pattern of orientations in an interpersonal and hierarchical connection and social behaviors to enhance one's face and to avoid losing one's face (Cheung et al., 2001). It is regarded as a virtue to keep people's face which in turn will

maintain good relationships among people and within the social order. Therefore, the proposition and hypothesis are formulated as the following:

> Proposition 9: Face (*Mian Zi*) has a positive impact on the trust
>
> relationship between customers and store employees.
>
> Hypothesis 9: Greater face (*Mian Zi*) on the part of the employees, as
>
> perceived by the customer, leads to more customer's trust.

Kindness (kindness → commitment)

Kindness is regarded as cordiality, good intentions, good will, benevolence, and mercy (Wu et al., 1986). In the daily life of China, people follow an old Chinese saying: good will be rewarded with good, and evil with evil; if the reward is not forthcoming, it is because the time has not yet come; when the time comes, one will get one's due reward. Accordingly, Chinese practice this in their daily interactions with others. Thus the proposition and hypothesis are formulated as the following:

> Proposition 10: Kindness and commitment are positively related.
>
> Hypothesis 10: Greater kindness on the part of the employees, as perceived
>
> by the customer, leads to more customer's commitment.

Responsibility (responsibility → commitment)

Responsibility is defined as duty and obligation. If people have a sense of responsibility and keep their promises, trust will result. People will make commitments when they are responsible. Thus the proposition and hypothesis are formulated as the following:

Proposition 11: Responsibility and commitment are positively related.

Hypothesis 11: Greater responsibility on the part of the employees, as

perceived by the customer, leads to more customer's

commitment.

Angry Hostility (angry hostility → commitment)

Angry and unfriendly people rarely have good relationships with others in China.

Good relationships and *guanxi* are important to the Chinese. In some big Chinese

retailing stores, employees avoid anger and unfriendliness toward their customers to

maintain good business and profits. Thus the proposition and hypothesis are formulated

as the following:

Proposition 12: Angry-hostility and commitment are negatively related.

Hypothesis 12: Greater angry-hostility on the part of the employees, as

perceived by the customer, leads to less customer's

commitment.

Chapter Summary

Overall, this chapter specifies the definition of terms, describes the theoretical

foundation, reviews the existing literature concerning four core constructs (satisfaction,

trust, commitment, loyalty), and describes nine mediating constructs (courtesy, positive

emotions, honesty, *Ren Qing*, harmony with others, face (*Mian Zi*), kindness,

responsibility, and angry hostility. The propositions and hypotheses pertaining to these

constructs were presented after each construct literature review. The relationships

among these constructs were also discussed. I propose a relationship among the core

constructs such that satisfaction has an impact on trust, trust has an influence on

commitment, and commitment serves as an antecedent of loyalty. Additionally, the

nine indigenous constructs were proposed and their relationship to the core constructs

described. The following table summarized this dissertation's propositions and

hypotheses.

Table 2.2

Summary of Propositions and Hypotheses

Constructs and Indications	Propositions and Hypotheses
Satisfaction → Trust	P 1: Satisfaction has a positive impact on customers' trust toward the store they are using. H 1: The more satisfaction the customers have, the more trust the customers have toward the store they are using.
Trust → Commitment	P 2: Trust has a positive impact on customers' commitment toward the store they are using. H 2: The more trust the customers have toward the store they are using, the more commitment the customers will have toward the store.
Commitment → Loyalty	P 3: Commitment has a positive impact on customers' Loyalty toward the store they are using. H 3: The more commitment the customers have, the more loyalty the customers would have toward the store they are using.
Courtesy → Satisfaction	P 4: Courtesy has a positive impact on customers' satisfaction toward a store. H 4: Greater courtesy on the part of the employees, as perceived by the customer, leads to more customer's satisfaction.

Table 2.2

Summary of Propositions and Hypotheses (continued)

Positive Emotion → Satisfaction	P 5: Positive Emotion has a positive impact on customers' satisfaction toward a store. H 5: Greater positive emotion on the part of the employees, as perceived by the customer, leads to more customer's satisfaction.
Honesty → Trust	P 6: Honesty has a positive impact on the trust relationship between customers and store employees. H 6: Greater honesty on the part of the employees, as perceived by the customer, leads to more customer's trust.
Ren Qing → Trust	P 7: Ren Qing has a positive impact on the trust relationship between customers and store employees. H 7: Greater Ren Qing on the part of the employees, as perceived by the customer, leads to more customer's trust.
Harmony with Other → Trust	P 8: Harmony with others has a positive impact on the trust relationship between customers and store employees. H 8: Greater harmony with other on the part of the employees, as perceived by the customer, leads to more customer's trust.
Face (Mian Zi) → Trust	P 9: Face (Mian Zi) has a positive impact on the trust relationship between customers and store employees. H 9: Greater face (Mian Zi) on the part of the employees, as perceived by the customer, leads to more customer's trust.
Kindness → Commitment	P 10: Kindness and commitment are positively related. H 10: Greater kindness on the part of the employees, as perceived by the customer, leads to more customer's commitment.

Table 2.2

Summary of Propositions and Hypotheses (continued)

Responsibility → Commitment	P 11: Responsibility and commitment are positively related. H 11: Greater responsibility on the part of the employees, as perceived by the customer, leads to more customer's commitment.
Angry-hostility → Commitment	P 12: Angry-hostility and commitment are negatively related. H 12: Greater angry-hostility on the part of the employees, as perceived by the customer, leads to less customer's commitment.

In the next chapter, I discuss the research design and methodology. This presentation include a discussion of the choice of setting, choice of method, instrument and measures development, screening, ranking, pre-testing of the questionnaire, survey of the questionnaire, analyses of instrument / measures, sample, sample frame, and data collection procedures.

CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

Introduction and Overview

Because of the particular characteristics of Chinese consumers, the following moderating variables are explored; honesty, courtesy, responsibility, kindness, positive emotions, harmony with others, angry hostility, *Ren Qing*, and face.

Based on an extensive literature review, it is clear that there is little research examining the loyalty of Chinese customers. Additionally, instruments designed to test the constructs of satisfaction, trust, commitment, and loyalty among Chinese customers is non-existent. Therefore, as a first step this study utilizes existing instruments developed and validated in the West. Second, I develop an indigenous instrument designed to measure the drivers of satisfaction, trust, and commitment of Chinese customers in the retailing industry. A process similar to that advocated by Churchill (1979, p. 66) is used to develop this instrument. Three translations were employed during instrument development: simple direct translation; modified direct translation; and translation/back translation procedures (Beling & Law, 2000).

In the next section I first present the operationalization of the concepts (constructs and measures). Second, I describe the sampling design, sample frame and

32

characteristics, the participants/subjects, and the sample administration and procedures. Finally, the research design and statistical techniques are described. Survey data is employed to test the hypotheses presented in this study using standard statistical methods and structural equation modeling.

Measures

This research employs measures from two sources. One is a set of imported constructs from the existing Western business literature (the questions for the constructs of loyalty, commitment, trust, and satisfaction). The second instrument includes a set of indigenous constructs which were designed by the researcher based on the literature review and on-site unstructured interviews. The following section addresses the measurement of both imported constructs (loyalty, commitment, trust, satisfaction in competition, satisfaction with consumption, satisfaction with transaction) and indigenous constructs (angry hostility, courtesy, face, harmony with other, honesty, kindness, positive emotions, *Ren Qing*, responsibility) tested in this research.

Imported Constructs

First, the imported constructs are presented and the core construct definitions from both Eastern and Western dictionaries are compared in the following table.

Table 3.1

Comparison of the Core Construct Dictionary Definitions

Construct [1]	Eastern [2]	Western [3]
Satisfaction 满意，满足；称心(English-Chinese, 1979, p. 1200)	满意，满足: satisfied; pleased; content; contented (Chinese-English, 1986, p. 457)	(n.) Contentment; pleasure; something that pleases; fulfillment of need, desire, etc.; condition of being fully persuaded (Longman, 1978, p. 987)
Trust 信任，信赖；可信任的人（或事物）(English-Chinese, 1979, p. 1501)	信任:Trust; have confidence in; 信赖: count on; have faith in (Chinese-English, 1986, p. 770)	(n.) Firm belief in the honesty, good news, worth, justice, power, etc., of someone or something; faith; solemn responsibility given to someone; the condition of being given to someone for care, protection, etc.(Longman, 1978, p. 1186)
Commitment 承担义务；所承担的义务；许诺 (English-Chinese, 1979, p. 230)	承担: bear; undertake; assume (Chinese-English, 1986,p. 87) 义务：duty; obligation (Chinese-English, 1986, p. 821) 许诺: make a promise; promise (Chinese-English, 1986, p. 780)	(n.) a promise to follow a certain course of action; a responsibility; loyalty to a system of thought and action; the act of committing (Longman, 1978, p. 216)

Table 3.1

Comparison of the Core Construct Dictionary Definitions (continued)

Loyalty 忠诚；忠心 (English-Chinese, 1979, p. 760)	忠诚: loyal; faithful; staunch (Chinese-English, 1986,p. 908) 忠心: loyalty; devotion (Chinese-English, 1986, p. 909)	Loyal: (adj.) true to one's friends, group, country, etc.; faithful. Loyalty: (n.) the quality of being loyal; a connection which binds a person to someone or something to which he is loyal (Longman, 1978, p. 650)

[1] (a) A New English-Chinese dictionary 《新英汉词典》. (1979). Shanghai Translation Publisher, Shanghai, 上海译文出版社. (Ge et al., 1979)

[2] (b) A Chinese-English Dictionary 《汉英词典》. (1986). Commercial Print Publisher, Beijing, 商务印书馆, 北京. (Wu et al., 1986)

[3] Longman Dictionary of Contemporary English. (1978). Longman Croup Ltd. London. (Procter et al., 1978)

Loyalty. There is substantial marketing research on loyalty, such as brand loyalty, vendor loyalty, service loyalty and store loyalty. This study mainly focuses on store loyalty. The definition employed views customer loyalty as the relationship between relative attitude and repeat patronage (Dick & Basu, 1994).

All of the loyalty scales were adopted from previous research. Three items were used from Lichtenstein and Netemeyer (1990), one from Garbarino and Johnson (1999), and one from Sirgy and Johar (1991):

1. Even though stores are available in a large number of options, I always use the same one (Lichtenstein & Netemeyer, 1990).
2. If I like a store, I rarely purchase somewhere else just to try something different (Lichtenstein & Netemeyer, 1990).
3. Once I get used to a store, I hate to purchase in the other store (Lichtenstein & Netemeyer, 1990).
4. I am a loyal customer of the store I am using now (Garbarino & Johnson, 1999).

5. I consider the store I am using to be the ideal store (Sirgy & Johar, 1991).

Commitment. Garbarino and Johnson (1999) developed four questions to measure commitment. I utilize one of these questions in the loyalty measure. The other three questions measuring commitment were adopted for this study. Two additional questions were adopted from Alonso (2000):

1. I am proud to be a customer of the store I am using (Garbarino & Johnson, 1999).
2. I feel a sense of belonging to the store I am using (Garbarino & Johnson, 1999).
3. I care about the long-term success of the store I am using (Garbarino & Johnson, 1999).
4. I feel proud to know that the store I am using is doing better than the competition (Alonso, 2000).
5. I feel identified with the store I am using (Alonso, 2000).

Trust. There were five questions adopted from Garbarino and Johnson (1999). Two additional items were adopted from Bruner et al. (2001):

1. The store I am using can be counted on to produce a good service (Garbarino & Johnson, 1999).
2. I can always trust the service of the store I am using to be good (Garbarino & Johnson, 1999).
3. The store I am using is a reliable one (Garbarino & Johnson, 1999).
4. The quality of the service of the store I am using is consistently high (Garbarino & Johnson, 1999).
5. I am always sure that the outcome of the service represents a valuable one (Carbarino & Johnson, 1999).
6. The employees of this store would never try to gain an advantage by deceiving customers (Bruner et al., 2001).
7. I have complete faith in the integrity of employees in this store (Bruner et al., 2001).

Satisfaction with Consumption. A preponderance of studies in the marketing literature utilize satisfaction measures in the Western world. Four questions were

adopted for the satisfaction with consumption constructs from Westbrook and Oliver

(1981):

1. This is one of the best services I have ever received.
2. This service is exactly what I need.
3. This service has developed out as well as I thought it would.
4. This service has fulfilled adequately my expectations.

Satisfaction with Transaction. Concerning the construct of satisfaction with the

transaction, there are four questions adopted from Carman (1990):

1. Employees from my store give me personal attention.
2. Employees from my store know what they are doing.
3. Employees from my store are never too busy to respond to customer requests promptly.
4. Employees from my store are polite.

Satisfaction in Competition. The questions concerning the construct of

satisfaction in competition were also adopted from previous research. Three questions

came from Alonso (2000) and one from Westbrook and Oliver (2000):

1. Compared to the other stores, my store provides the best service (Alonso, 2000).
2. Compared to the other stores, my store has the best reputation (Alonso, 2000).
3. Compared to the other stores, my store provides customers with the best satisfaction overall (Alonso, 2000).
4. I am satisfied with my decision to choose this option over all other stores (Westbrook & Oliver, 1981).

Indigenous Constructs

There are two reasons for developing indigenous constructs. First, constructs such as Face, *Ren Qing*, and harmony with others are somewhat unique to the Chinese culture. Second, when used in the Chinese context some constructs that appear in the Western culture may not be compatible in terms of Chinese implicit theories of personality (Yik & Bond, 1993).

This study, however, utilizes items for certain constructs that do appear to be compatible with the Chinese culture (such as honesty and responsibility). These indigenous constructs include honesty, courtesy, responsibility, kindness, positive emotions, harmony with others, angry hostility, *Ren Qing*, and face. The anchor is a five point Likert-scale ranging from "strongly agree" to "strongly disagree." All measures were purified and analyzed according to the guidelines developed by Churchill (1979). In order to validate the instruments as a whole, screening, ranking (Zikmund, 2003), and a preliminary pretest were conducted with a sample of Chinese people in the United States. After this stage, the questionnaire was tested utilizing a sample of Chinese customers in China.

Honesty. Honesty is defined as being honest and dependable (Wu et al., 1986). Since there is not an appropriate honesty scales in the existing literature, I developed three questions based on unstructured interviews and the literature review. Two additional questions were adopted from Bruner et al. (2001):

1. I prefer to shop in a store whose employees give me the right information on the products they sell (researcher developed).
2. I like the store whose employees will tell me that the product is defective when it is (researcher developed).

3. It is wonderful to shop in a store whose employees provide opinions on its products (researcher developed).
4. The employees in this store are among the most honest people I know (Bruner et al., 2001).
5. The employees will not use me if it benefited them (Bruner et al., 2001).

Courtesy. Matthews (2000) contends that sublimation of personal goals to the collective whole is helpful in promoting values such as harmony, courtesy, and modesty. Despite political and social change, these values have emerged as the dominant cognitive construct in ethnically Chinese societies. In this study, courtesy is defined as "polite behavior; good manners; a polite or kind action or expression" (Procter et al., 1978). Moreover, courtesy has been empirically corroborated as one of the dominant cognitive constructs in the Chinese personality and trait literature (Matthews, 2000). However, because there are no available scales designed to measure courtesy in the literature, for this study I developed all the questions for the courtesy construct based on unstructured interviews and qualitative research:

1. I am delighted to shop in the store whose employees often show me a smiling face.
2. I may consult with the store employees if I see they are polite with the customers.
3. I feel happy to shop in a store whose employees are glad to help me when I ask.
4. I prefer to purchase in a store whose employees use friendly manners.

Responsibility. With this construct, one question was adopted from Bruner et al. (2001). I developed three additional questions based on unstructured interviews and qualitative research:

1. The employees in this store did put much effort in helping their customers (Bruner et al., 2001).
2. I am happy to shop in a store whose employees have a sense of responsibility.
3. I am inclined to consult store employees who are responsible.
4. Responsible store employees might attract more customers to purchase in their store.

Kindness. Kindness is regarded as one of the unique constructs for the Chinese people. As no available scales were found on kindness in the literature, I developed all of the questions for the kindness construct based on unstructured interviews and qualitative research:

1. I like to buy in a store whose employees are helpful.
2. I like to shop in a store whose employees help customers to find what they are looking for.
3. I favor shopping in stores where employees are kind.
4. I prefer stores whose employees are interested in the happiness or feelings of their customers.

Positive Emotions. Positive emotions is one of the indigenous constructs employed in this study as a result of the screening, ranking and the preliminary pretest. Since there were no scales measuring positive emotions in the literature, I developed all the questions for the construct of positive emotions based on unstructured interviews and qualitative research:

1. I usually like to shop in a store whose employees show positive emotions.
2. I am delighted to purchase in a store whose employees clearly know what they are doing.
3. I am delighted to purchase in a store whose employees have no doubt about their store.
4. It is nice to shop in a store whose employees love their stores and jobs.

Harmony with Others. "Harmony measures one's inner peace of mind, contentment, as well as interpersonal harmony. The avoidance of conflict and maintenance of the equilibrium are considered virtues in the Chinese culture" (Cheung et al., 1996). There are many scales designed to measure the Chinese people's value system. Some of the scales developed by Cheung et al. (2001) were found to be appropriate for this study. Specifically, four questions concerning the construct harmony with others were taken from Cheung et al. (2001):

1. I customarily maintain a peaceful frame of mind.
2. Usually when I talk with people, I take great care not to offend them.
3. I strongly support the principle that "if a family lives in harmony all things will prosper."
4. It is a virtue to tolerate everything.

Angry Hostility. Angry hostility is one of the indigenous constructs utilized for this study. Since there were no appropriate scales for angry hostility in the existing literature, after the screening, ranking and preliminary pretest, I developed all the questions for the construct of angry hostility based on unstructured interviews and qualitative research:

1. A store employee with angry hostility will easily drive me away from shopping in that store.
2. I might be discouraged to shop at a store whose employees are filled with anger.
3. It is a bad idea for a store employee to show customers his/her feelings of displeasure.
4. I do not like to shop in a store whose employees are hostile to customers.

Ren Qing. There are some unique phenomena in the Chinese culture; one of the special ones is Ren Qing. It is defined as "human feelings, human sympathy, human relationship, favor, gift and present" (Wu et al., 1986). There are questions concerning

this unique construct in the existing literature and the scales developed by Cheung et al. (2001) appear to be appropriate for this study. Thus, four questions concerning the construct *Ren Qing* were utilized:

1. When dealing with institutions, things can work out more smoothly through the connections of friends working inside.
2. I find it very hard to say "no" when others make requests or give me assignments.
3. Returning money is easier than returning favors, so the best thing to do is not become indebted to people's favors.
4. In society one should be considerate to others and avoid causing harm to others.

Face. Face is defined as "reputation, prestige, due respect, and sensibility" (Wu et al., 1986). Face is another unique phenomenon in the Chinese culture and the Chinese people deem face to be very important in their daily interactions (Cheung et al., 2001). The questions for the face construct were taken from the scales developed by Cheung et al. (2001):

1. I pay a lot of attention to how others see me.
2. I am usually very particular about the way I dress because I do not want others to look down on me.
3. I feel a loss of face when others turn down my favor.
4. Sometimes I will insist on giving a friend a decent gift even if it means borrowing money to buy it.

Overall, there are fifteen constructs and 66 questions for the survey including both scales adopted from previous research and those developed specifically for this study. Table Four lists each construct and the source for the questions utilized in this dissertation.

Table 3.2

Construction of Survey Instrument

Constructs	Items	Sources
I mported		
Satisfaction with Consumption	55 - 58	Westbrook & Oliver 1981
Satisfaction with Transaction	59 - 62	Carman 1990
Satisfaction in Competition	63 - 65	Alonso 2000
	66	Westbrook & Oliver 1981
Trust	11 - 14	Garbarino & Johnson 1999, p. 84
	15	Alonso 2000
	16 - 17	Bruner et al. 2001, p. 1594
Commitment	6 - 8	Garbarino & Johnson 1999, p. 84
	9 - 10	Alonso 2000
Loyalty	1 – 3	Lichtenstein et al. 1990
	4	Garbarino & Johnson 1999, p. 84
	5	Sirgy et al. 1990
Indigenous		
Courtesy	22 - 25	Researcher developed
Positive Emotions	35 - 38	Researcher developed
Honesty	30 - 32	Researcher developed
	33 - 34	Bruner et al. 2001, p. 854
Ren Qing (人情)	47 - 50	Cheung et al. 2001, p. 430
Harmony with Other	39 - 42	Cheung et al. 2001, p. 430
Face	51 - 54	Cheung et al. 2001, p. 430
Kindness	18 - 21	Researcher developed
Responsibility	26	Bruner et al. 2001, p. 325
	27 - 29	Researcher developed
Angry Hostility	43 - 46	Researcher developed

Instrument and Measures Development

Screening

First, qualitative analysis was conducted in order to generate as many items as possible (Yik & Bond, 1993; Cheung et al., 1996; McCrae & Costa, 1997; Matthews, 2000). By reviewing the literature, 193 variables were found focusing on the Chinese value system. These items were employed as part of a screening process drawing upon a Chinese sample in the United States (193 variables, no missing data in this screening, N=18 Chinese). The question for screening was "If store employees were_____, there will be (a)n ____on long term relationship between store and customers." For instance, "If store employees were 193 variables, there will be a(n) (1) positive, (2) uncertain, (3) not applicable, or (4) negative impact on the long-term relationship between the store and customers." There were 18 Chinese individuals living in the United States that participated in this rating. A frequency analysis showed 10 variables received either a positive (mean = 1) or a negative (mean = 4) score in this rating process.

Ranking

Second, there were 10 variables with either positive or negative means and two other variables had mean scores at 1.1 (close to positive mean = 1) or 3.9 (close to negative mean = 4) taking to the ranking process. In total, 12 variables altogether carried to the ranking process. They are courtesy, harmony with others, positive emotions, honesty, kindness, responsibility, industry (working hard), sense of righteousness, angry hostility, bad-tempered, distrustful, and impatience. The participants were asked to rank the 12 variables that reflect positive and negative

attitudes toward long-term relationships by giving one "1" to the highest ranked item, "2" to the next, and so forth (12 variables, n=23 with missing data, N=21 Chinese without missing data). Three items with the lowest rankings were eliminated. The eliminated variables were industry (working hard), sense of righteousness, and impatience. There were two variables unique to the Chinese from the literature added in the questionnaire development. These are face and *Ren Qing* (relationship orientation). Altogether there were 11 variables included in this stage of the questionnaire's development.

Translation Procedure

The questionnaire was developed originally in English for the 11 indigenous indicators (angry-hostility, bad-tempered, courtesy, distrustful, face, harmony with others, honesty, kindness, positive emotion, *Ren Qing* (relationship orientation), and responsibility). In addition, the imported constructs were also included (satisfaction, loyalty, commitment, and trust). Three translations were employed during instrument development: simple direct translation; modified direct translation; and translation/back translation procedures (Beling & Law, 2000). Back translations were employed with two professional translators and two individuals originally from China.

Pretest

Third, a pretest was conducted in the United States (71 questions, n=23 with missing data, N=16 Chinese without missing data) (Kaynak 1997; Polsa 2002). At this stage an exploratory factor analysis was conducted. As a result of low loading, five

questions were dropped from the final questionnaire. The items in the final questionnaire were selected on the basis of the item analysis with adult Chinese in the United States. After making revisions based on the feedback from the pretest and consulting a focus group, the final questionnaire with a total of 66 questions was sent to China. This survey was used to collect cross-sectional survey data in Zhengzhou as discussed above. The final test asks sample customers to respond to each question utilizing a five point Likert-scale (descriptive anchors are "strongly agree", "agree", "uncertain", "disagree", and "strongly disagree").

Rationale of Current Instrument Format

Standard questionnaires used in this type of study typically utilize either a seven point or a five point Likert scale with Arabic numbers. During preliminary interviews conducted in China in 1998 and 2001, interviewees revealed that they preferred words rather than Arabic numbers. These individuals indicated that the numbers were confusing and they had to spend time looking back and forth in order to determine what each number represented. Moreover, respondents missed some of the questions as a result of having to look back and forth. They suggested that it would be better to put the anchors under each question. These format matches the approach used in other studies in China (Chu, 1999).

Furthermore, the format of the pretest questionnaire was not well accepted by the participants. For example, this group skipped almost all the questions pertaining to the demographic information which was included at the end of questionnaire. Those questions had no anchors. That is, the participants only answered the questions with

anchors ("strongly agree", "agree", "uncertain", "disagree", "strongly disagree"). Therefore, in the final questionnaire, the format was revised by putting the demographic questions at the beginning of the questionnaire, eliminating the background information, and ordering the questions from 1 to 66 with anchors under each question. This questionnaire format has been used in the previous research and has resulted in acceptable good response rates (Chu, 1999; Chu et al., 2002).

In sum, the survey contains actual words like "strongly agree", "agree", "uncertain", "disagree", and "strongly disagree" instead of Arabic numbers in the screening and preliminary pretest with each anchor located on the right side of each question. Moreover, in the final full pretest survey, the word anchors were included under each question; and the demographic questions were at the beginning of the questionnaire. The final questionnaire (in both Chinese and English) is included in Appendix C and D.

Procedures

The researcher hand-delivered, collected and administrated all the screening, ranking, and pretest in the United States. Information was collected at gatherings or through door-to-door visits. The final questionnaire with cover letter was sent to people in China (Appendix A and B contains the cover letter used in both English and Chinese). I entrusted several people in China to administer the survey. All the participants were informed that: "Taking part in this research is completely voluntary. Your response on the survey will be anonymous. After tabulation, all individual

responses will be electronically discarded." See Figure 3 for details of the instrument development procedure.

Instrument

A questionnaire was developed as the instrument for this study as previously described. All the statements in the questionnaire are in a positive way to avoid unnecessary confusion among participants. Both Chinese and English version of the questionnaires was presented in appendix.

Figure 3

Instrument Development Procedure
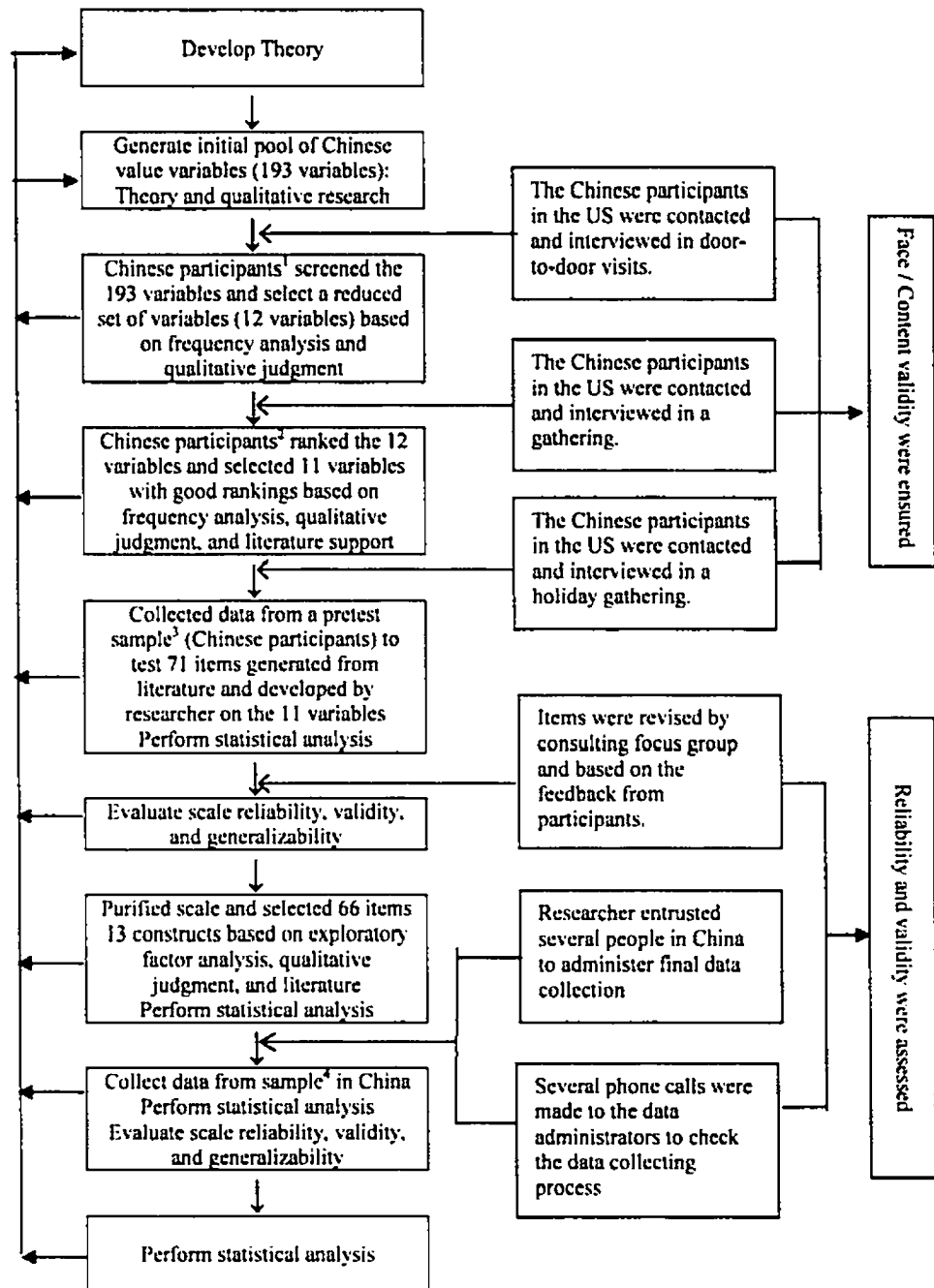
[1-3] The participants were Chinese in the United States.
[4] The participants of final survey were Chinese in China.

Sampling Design

China is a country with 1.3 billion people and 56 separate ethnic groups (i.e. different local dialects, cultures, policies and economic development). It would be extremely difficult, expensive and time consuming in practice to collect data nationwide in China. Additionally, the response rates of mail surveys in China are very low. Therefore, I entrusted several people in China to collect data there.

The sample of this study is non-random. The non-random sample approach has been used in literature (Lonner & Berry, 1986; Croll, 1987; Miles & Huberman, 1994; Chu, 1999; Chu et al., 2002; Polsa, 2002). It has been labeled as criterion type sampling or as judgmental sampling, where cases are chosen on the basis of a certain criterion or judgment (Lonner & Berry, 1986; Miles & Huberman, 1994; Polsa, 2002).

Sampling frame

A middle-sized city, Zhengzhou (2.05 million urban population), the capital of Henan Province, in China has been chosen as the data source for this study. Chu et al. (2002) noted that Zhengzhou represents a diversified society and a typical city in China, and it also represents one of the seven cities China opened to foreign retailers on November 30, 2001 after China formally entered the WTO (Zhong, 2001). In addition, Zhengzhou was chosen due to its location in a central geographical region, one of China's important communications hubs as well as being recognized as one of the major centers of commercial activity.

In addition, Zhengzhou has been named as Commercial Capital (*Shang Du*) since ancient China for its easy access central location to all directions of China by all

kinds of transportation. Moreover, "commercial and retail stores have been fiercely competing there in the past two decades. An old saying states that you cannot conquer China until you conquer the center part of China first (*de zhong yuan zhe de tian xia*). Zhengzhou is highly recognized for its strategic position in relation to wars as well as in relation to business in China (Chu et al., 2002, p. 5)."

Choosing Zhengzhou as an empirical setting can be classified as critical case sampling which has been employed in the existing literature (Lonner & Berry, 1986; Miles & Huberman, 1994; Polsa, 2002). Miles and Huberman (1994) define the critical case sampling as to allow logical generalization and maximum application of information to other cases. As described previously, Zhengzhou is the capital of Henan Province and represents a middle-sized city locating in Henan Province which "is the native place of Chinese nation, the birthplace of Chinese culture and the root of Chinese family names for 105 of the family names listed in Baijiaxing (Hundred Chinese Family Names) have roots in Henan Province. The Kejia Family, Minnan Family, and Heluo Family have their roots in Henan (Song, 1997)."

The sample, therefore, can be considered as a good representation of the total population of customers in China even if not randomly drawn. Additionally, choosing Zhengzhou as the empirical setting for this study might contribute some insight of Chinese people' behavior and Chinese culture for other future studies for the Kejia Family, Minnan Family, and Heluo Family are all over the world.

Sample Size

Participants were 212 customers from Zhengzhou. This study classifies a customer as any person who had, has or can have some interaction with a salesperson or salespersons. This includes final consumers, and any member who has purchasing experience with a salesperson or salespeople in general (Swan et al., 1999).

Customers in Zhengzhou were requested to participate in this survey. In total, the final sample size includes two hundred and twelve participants. According to Hair et al. (1998), at least five observations to one variable represent an acceptable range for this type of study. With a sample size of two hundred and twelve participants, it represents 16.3 to 1 ratio. Furthermore, it is recommended "always to test a model with a sample size of 200, no matter what the original sample size was (Hair et al. 1998, p. 605)," because a sample size of 200 is considered as a good and critical sample size for structural equation modeling (Hair et al. 1998; Kline 1998). The rationale of choosing Zhengzhou as the empirical setting for this study was described earlier.

Data Collecting

Since mail surveys suffer from a low response rate in China, the researcher hired several people to collect data from the chosen city. Chinese customers in such places as companies, bus stations, streets, retail stores, schools and hospitals were asked to fill out the questionnaire. To effectively test the hypotheses, respondents came from different age groups such as young customers, middle-age customers, and old customers. In order to collect information from a diverse set of people, factors such as age group, gender, education, and occupation were also considered. The main advantage of this

data gathering approach is that it should help assure that respondents are representative of the total population and therefore contribute to the external validity of this study (Cook & Campbell 1979; Calder et al. 1982; Sears 1986; Simmons et al. 1993; Reynolds et al. 2003).

In short, the goal in this stage is to collect data from a representative sample. The major disadvantage of this data gathering strategy is that the sample will not be totally random. The rationale of using non-random sample was discussed in previous section.

Sample Characteristics

The sample was 216 respondents which were systematically selected in the urban part of the city. A total of 212 respondents answered the questionnaire. The responding potential customers had a mean age of 32.2 years, their ages range from 19 years old to 56 years old. Forty-four percent of the participants were between 21 to 30 years old; another forty-four percent were between 31 to 40 years old; three percent of them were between 15 to 20 years old; nine percent were between 41 to 50 years old. More than half (67%) of the respondents were male, and female participants were thirty-three percent. Among the respondents, seventy-one percent of them were married and twenty-seven percent were single, and two percent were widowed and living together respectively.

Thirty-five percent of participants had high school or less education, seventeen percent of respondents had one to two year college education, twenty-six percent of them had three years college education, seventeen percent of them had four years

college education, and two percent of them had educational backgrounds of master

degree, and Ph.D. or equivalent degrees respectively. Their occupations vary from

workers (60%) and teachers (3%), to businesspeople (1%), unemployment (2%) and

staffs (27%). See the following table for Sample Characteristics.

Table 3.3

Sample Characteristics (N = 212)

Variable and Category		Percent
Age Group	under 20	2.8
	21-30	43.9
	31-40	43.9
	41-50	9.0
	51-78	0.5
Gender	male	67.5
	female	32.5
Marriage	single	27.4
	married	70.8
	widowed	0.5
	living together	1.4
Education	missing value	1.4
	not being in school	1.4
	high school or less	34.9
	1-2 years college	17.0
	3 years college	25.9
	4 years college	16.5
	M.A.	0.9
	Ph.D. or equivalent	0.5
	other	1.4
Occupation	missing value	2.8
	unemployed	1.9
	worker	60.4
	teacher	2.8
	businessperson	1.4
	staff	27.4
	other	3.3

Non-response Bias and Response Rate

Non-response bias should be assessed by randomly splitting the sample in two. MANOVA should be used to compare the responses from both samples to determine if there are significant difference between the two results. Since the data were hand-delivered and collected by some associates in person, the non-response bias is not problem in this study, which showed that 212 out of 216 respondents answered the questionnaires. Good response rate was achieved by entrusting some associates to deliver questionnaires in person.

Missing Values

Missing values were assessed by inspection to see if they are missing completely at random or not. Since they are missing completely at random, the mean substitution method was used. Factor analysis use listwise deletion for missing values; and correlation excludes cases pairwise (Hair et al., 1998). In this study, the missing values were missed completely at random and it posed no serious problem for the analysis. Item number seven had three missing values, item thirty-two had 2 missing values, and one missing value was found on some of the other items randomly. The missing values in this study were lower than the missing values in the mainland Chinese surveys and research (Zhu, 1996; Polsa, 2002).

Outliers

Outliers should also be removed from the analysis since they will influence mean comparisons when testing differences among the different age groups. Outliers did not occur in this study and caused no problem for analysis.

Measure Reliability and Validity

"Before conducting any internal consistency estimates of reliability, we must determine if all items use the same metric and whether any items have to be reverse-scaled. All items share the same metric (Green et al., 2000, p. 306)." All items in the questionnaire use the same metric and no item needs to be reverse-scaled in this study. The response scale for all items is 1=strongly agree to 5=strongly disagree.

Internal consistency. To determine the degree of internal consistency, the split-half method was used to check one half of the results of a set of scaled items against the other half (Zikmund, 2003) because it is possible to achieve a measure of reliability by various split-half procedures if the equivalence of the two halves is arrived (Nunnally & Bernstein 1994; Anastasi & Urbina, 1997; Thorndike, 1997). Different item splits, however, may produce dramatically different results (Green et al. 2000). To even out the possible effects of an inappropriate split, a popular way is to use the coefficient alpha (Cronbach's alpha), for it is the average of all possible split-halt coefficients resulting from different ways of splitting the items (Thorndike, 1997; Malhotra, 1999).

An adequate and basic procedure for most purposes is to find the scores on the odd and even items of the test which provides a measure of the accuracy, a split-half reliability (Anastasi & Urbina, 1997; Thorndike, 1997; Zikmund, 2003). I conducted

two items splits to double confirm the internal consistency at this stage. The coefficient alpha (Cronbach's alpha) for both approaches is all above 0.87 which fall within acceptable range for either exploratory or confirmatory study (Hair et al., 1998). Hence, the measures of this study can be considered as yielding consistent results if the measurements are made repeatedly. See the following table for Internal Consistency Estimates of Reliability (Split).

Table 3.4

Internal Consistency Estimates of Reliability (Split)

Reliability Coefficients 66 items	Alpha for part 1 (33 items)	Alpha for part 2 (33 items)
even-numbered and odd-numbered items (N of Cases = 212)	0.87	0.88
1-33 itmes, 34-66 items (N of Cases -- 212)	0.90	0.89

Additionally, a series of diagnostic measures to assess internal consistency were employed (Zikmund, 2003): the item-to-total correlation, the reliability coefficient, and confirmatory factor analysis.

The item-to-total correlation (the correlation of the item to the summated scale score) or the inter-item correlatio. (the correlation among items). The item-to-total correlations should exceed .50 and that the inter-item correlations should exceed .30 (Bartz, 1999). The common practice to designate the strength of a correlation coefficient is recommended by Bartz (1999, p. 184) as in the following table:

Table 3.5

Strength of Correlation

Very high r	=	.80 or above
Strong r	=	.60 to .80
Moderate r	=	.40 to .60
Low r	=	.20 to .40
Very low r	=	.20 or less

In this study, the item-to-total correlation ranged from 0.53 to 0.85, which met

the strength of a correlation by such adjectives as moderate correlation to strong

correlation (Anastasi & Urbina, 1997; Bartz, 1999). The lower item-to-total

correlations appeared in several items, such as in item trust number 15 (r= .534), item

honesty number 30 (r= .576), item honesty number 31 (r= .573), item *ren qing* number

47 (r= .598). All the item-to-total correlations are significant at the 0.01 level (2-tailed).

See the following table for item-to-total correlations.

Table 3.6

Item-to-Total Correlations

Variable	Low	High
courtesy	0.75	0.85
responsibility	0.62	0.82
angry hostility	0.73	0.78
face	0.62	0.83
kindness	0.68	0.81
positive emotion	0.67	0.78
honesty	0.57	0.70
ren qing	0.60	0.76
harmony with other	0.66	0.73
satisfaction	0.62	0.74
trust	0.53	0.74
commitment	0.63	0.80
loyalty	0.64	0.78

The reliability coefficient assesses the consistency of the entire scale. Cronbach's alpha should total at least .70 in confirmatory research, and .60 in exploratory research (Hair et al., 1998). Increasing the number of items will increase the reliability value. The Cronbach's alpha of core variables ranged from 0.73 to 0.88 by using maximum likelihood method. The rotation method used was Varimax with Kaiser Normalization. The eigenvalues ranged from 8.68 to 1.05, and missing values were excluded cases listwise. The rationale for using the maximum likelihood method is because this method seldom has any advantage purely as an approach to condensation when nearly all the total variance is explainable and when the number of variables is not too many (Nunnally & Bernstein, 1994; Tabachnick & Fedell, 1996; Hair et al., 1998).

In exploratory research, the Cronbach's alpha of 0.60 is considered acceptable (Hair et al., 1998). Additionally, since I was primarily interested in prediction, reducing a large number of variables down to a smaller number of components, and revealing a great deal about probable number and nature of factors, the principal component analysis (PCA) was employed (Nunnally & Bernstein, 1994; Tabachnick & Fedell, 1996; Hair et al., 1998). Given the exploratory nature of the indigenous variables, the reliability coefficient of the indigenous variables ranged from 0.60 to 0.82 by using principal component analysis. The rotation method used was Varimax with Kaiser Normalization. The eigenvalues ranged from 10.23 to 1.20, and missing values were excluded cases listwise.

In sum, the Cronbach's alpha of both core construct and indigenous construct meets the requirement which show internal consistency of the entire scale. The further

information on Cronbach's alpha of both core and indigenous variables was presented in the factor analysis section of the results chapter.

Validity. Validity is the extent to which a scale or set of measures accurately represents the concepts of interest. Having ensured that a scale (1) conforms to its conceptual definition, (2) is unidimensional, and (3) meets the necessary levels of reliability, the researcher must make one final assessment: scale validity (Zikmund, 2003).

The content/face validity and construct/descriminant validity assessments were used in this study. Content validity is the assessment of the correspondence of the variables to be included in a summated scale and its conceptual definition. It is also known as face validity (Hair et al., 1998). Face validity is the subjective assessment of the correspondence between the individual items and the concept through ratings by expert judges, pretests with multiple subpopulations, or other means (Hair et al., 1998). Face (content) validity is the professional agreement that a scale logically appears to be accurately reflecting what was intended to be measured (Zikmund, 2003). By processing screening and ranking among participants in the real world, and consulting focus group, both content and face validity were guaranteed.

Construct validity is the ability of a measure to confirm a network of related hypotheses generated from a theory based on the concepts (Peter, 1981; Zikmund, 2003). Construct validity addresses the question of what construct or characteristic the scale is, in fact, measuring. Construct validity requires a sound theory of the nature of the construct being measured and how it relates to other constructs. Construct validity

includes convergent, discriminant, and nomological validity (Malhotra, 1999b). This study examined discriminant validity.

Discriminant validity is the degree to which two conceptually similar concepts are distinct. The empirical test is the correlation among measures, but this time the summated scale is correlated with a similar, but conceptually distinct measure (Bagozzi & Phillips, 1982; Bollen, 1989; Dabholkar & Bagozzi, 2002; Wang & Netemeyer, 2002; Arino, 2003). Discriminant validity is the ability of a measure to have a low correlation with measures of dissimilar concepts (Gerbing & Anderson, 1988; Steenkamp & van Trijp, 1991; Zikmund, 2003). Now the correlation should be low, demonstrating that the summated scale is sufficiently different from the other similar concepts (Churchill, 1979; Hair et al., 1998). By examining correlations among all the variables, the discriminant validity was confirmed (Dabholkar & Bagozzi, 2002). The further information on discrimanant validity was presented in results chapter, correlation analysis section.

Scale Evaluation

A number of differing methods were used for assessing reliability and validity (Malhotra, 1999). Overall, two methods were employed to examine reliability and internal consistency reliability, split-half and item-to-total. As to validity, content/face validity were examined by (1) screening and ranking questions among real world customers, and (2) consulting a focus group. For construct validity, discriminant validity was examined by using correlation analysis. See the following table for scale evaluation determinents.

Table 3.7

Scale Evaluation

Reliability	Validity

1) Internal consistency reliability
   • Split-half
   • Item-to-total
	1) Content validity
	2) Construct validity
	   • Discriminant validity

Methods of Analysis

The SPSS 10.0 and AMOS 4.0 were used to analyze the data for the study

(Norusis, 1993; Arbuckle & Wothke, 1999; Norusis, 1999). Statistical techniques

employed in this study were factor analysis, correlation analysis, regression analysis

and structural equation modeling.

Factor analysis was used for the following reasons: it provides evidence about

content validity and construct validity; it helps in selecting instruments to be tried as

predictors that will work well in practice; it serves as data reduction and summarization,

which derives underlying dimensions (Nunnally & Bernstein, 1994; Tabachnick &

Fedell, 1996; Hair et al., 1998).

"The primary duty of science is to establish relationships between variables

(Bartz, 1999, p. 163)." Correlation analysis serves this purpose quite well. In this study,

correlation analysis was employed because its function of (1) determining how precise

and consistent a measurement procedure is; (2) describing the relationship between core

(imported) and indigenous variables (Cohen, 1988; Daniel & Terrell, 1995); (3)

understanding what the pattern of customer purchasing behavior is; and (4) being important in regression analysis (Thorndike, 1997; Hair et al., 1998; Bartz, 1999).

Correlation analysis can only reveal the direction and strength of the relationship and association between variables. It does not predict any relationship, although the correlation coefficient (r) is fundamental to regression analysis. Regression analysis can estimate and/or predict the value of one variable (DV) selected by the researcher based on the known or fixed values of other variables (IVs) (Daniel & Terrell, 1995; Sheskin, 1997; Gujarati, 2003). Therefore, regression analysis was employed in this research to test hypotheses (Cohen, 1988; Greene, 2003).

"The objective of model building is to develop a representation that will provide a vehicle for obtaining useful results when the model is employed in the analysis of data generated by the modeled situation (Daniel & Terrell, 1995, p. 617)." The structural equation modeling was also used in this study since the sample size (n=212) is large enough for SEM analysis (Kline, 1998), as Hair et al. (1998, p. 605) recommend that "always to test a model with a sample size of 200, no matter what the original sample size was, because 200 is proposed as being the critical sample size."

In addition, SEM is used because of: 1) latent variables, 2) simultaneous relationships needed; and 3) indirect effects vs. direct effects need to be contrasted. This technique is particularly appropriate for this study since "SEM allows the explicit representation of a distinction between observed and latent variables, which makes it possible for researchers to test a wide variety of hypotheses" (Kline, 1998, p. 8). AGFI, GFI, CFI, Adj-Chi, and p-valued will be used to assess model fit and adequacy (Arbuckle & Wothke, 1999).

To be brief, all previously discussed methods were used in this study because the sample size is good enough to do sufficient analysis of their specific functions. Overall, the reliability and validity of the instrument were assessed; the traditional statistical techniques were used, and finally structural equation modeling was also employed to test the hypotheses in this research.

Chapter Summary

First, this chapter presented measures and instruments of imported and indigenous constructs and their development, such as screening and ranking among the small samples, translation procedures, pre-test procedures. Second, sampling design, sampling frame, sample size, data collection, response rate, non-response bias, missing values were addressed without outliners concern. Third, the reliability and validity issues were discussed by presenting the results of split half, item-to-total, and Cronbach's alpha. Finally, the methods of analysis were elaborated, such as correlation analysis, factor analysis, regression analysis, and structural equation modeling. The next chapter presents the results of the main analyses and hypotheses in this study.

CHAPTER IV

RESULTS AND DISCUSSION

Introduction and Overview

This chapter presents the results of the empirical study by using the data obtained from China. Green et al. (2000) highly recommend that the researcher examine if items use the same metric and scale before conducting any estimates of reliability. As previously noted, all the items in this study used the same metric and scale. In order to avoid wording confusion in cross-cultural research, there was no reverse-scaled in the final questionnaire. The response scale for all items in questionnaire is 1=strongly agree, 2=agree, 3=uncertain, 4=disagree, and 5=strongly disagree. See appendix for final questionnaire.

The statistical analyses used in this study were factor analysis, correlation analysis, regression analysis, and structural equation modeling. Before getting into these analyses, first, the internal consistency of the measurement was examined by employing split-half and item-to-total methods to check the reliability. Second, the content/face validity was ensured by (1) processing screen and ranking the questions among real world customers from China, and (2) consulting focus group and experts from both China and the United States. The construct validity was examined by conducting correlation analysis and the results of it are presented in correlation analysis section. First, the results of factor analysis was presented; second, the

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correlation analysis; third, the regression analysis; and finally, the structural equation modeling.

Factor Analysis

The survey data collected from China was used to conduct confirmatory analysis separately. One category used imported items, which included items of loyalty, commitment, trust, and satisfaction. The other category used indigenous items, which included items of courtesy, responsibility, angry hostility, face, kindness, positive emotions, honesty, *ren qing*, and harmony with other. Both imported and indigenous variables were using SPSS Window Release 11.01 software to conduct factor analysis. The imported variables employed maximum likelihood approach for their confirmatory nature (theory-driven) to identify the hidden constructs. The indigenous variables used principal components method for their exploratory nature (data-driven) to condense or summarize large number of variables into smaller number (Nunnally & Bernstein, 1994; Hair et al., 1998). The rationale of adopting different techniques was discussed previously.

Two approaches were used to justify the application of factor analysis: visual inspection of correlation and measure sampling adequacy (MSA). First, visual inspection reveals that a large number of correlatior are greater than .30, which shows a factor analysis is appropriate. Second, MSA exceeds .862 (factor analysis of imported variables) and .849 (factor analysis of indigenous), which are commendable and show the appropriateness of factor analysis existed and good intercorrelations were seen among the variables (Hair et al., 1998, p. 99). All of them are significant at .000 levels.

The criterion for the number of factors to extract was based on latent root criterion (eigenvalues). Factors with eigenvalues greater than one are considered significant. There were seven core variables that had the eigenvalues exceeding one, and ranged from 8.68 to 1.05 respectively. A percentage of variance criterion is based on the recommendation from Hair et al. (1998, p. 104) that a solution accounting for 60 percent of the total variance is considered as satisfactory. The total percent of variance was accouned for 62.65 % for core variables. See the following table for eigenvalues of the imported variables.

Table 4.1

Factor Analysis: Eigenvalues of the Imported (Core) Variables

Factor	Eigenvalues	% of Variance	Cumulative %
1	8.68	29.93	29.93
2	2.52	8.70	38.63
3	2.04	7.04	45.67
4	1.41	4.85	50.52
5	1.28	4.42	54.94
6	1.19	4.11	59.05
7	1.05	3.60	62.65

Extraction Method: Maximum Likelihood.

There were ten indigenous variables that had eigenvalues exceeding one and they ranged from 10.23 to 1.05 respectively. Their total percent of variance was accounted for 66.87% for the indigenous variables, which is satisfactory. The following table showed detail information on each of the indigenous variable.

Table 4.2

Factor Analysis: Eigenvalues of the Indigenous (Moderating) Variables

Factor	Eigenvalues	% of Variance	Cumulative %
1	10.23	27.65	27.65
2	2.85	7.70	35.35
3	2.03	5.49	40.84
4	1.94	5.23	46.07
5	1.78	4.81	50.88
6	1.28	3.46	54.34
7	1.23	3.33	57.67
8	1.20	3.24	60.91
9	1.15	3.12	64.03
10	1.05	2.84	66.87

Extraction Method: Principal Component Analysis.

In sum, both eigenvalues of the imported and indigenous variables exceed one, and percent of total variance exceeds 60 percent. Both of these results fall into satisfactory requirement.

Imported items. With sample size of 212, loading of .40 falls into the acceptable range (Hair et al., 1998, p. 112). Six factors came out after factor analysis with loading ranged from .42 to .76 respectively. This represents acceptable correlation between the original items and their factors. One of the trust items was eliminated for it had cross loading, another two loaded outside its factor. Loyalty had one loaded outside of its factor; commitment had two items loaded outside its factor. The following were items eliminating from further analysis for the aforementioned reasons.

1. The store I am using is a reliable one (我常去的商店是个可信赖的商店).
2. The store I am using can be counted on to produce a good service (我常去的商店算得上是提供优质服务的商店).
3. I can always trust the service of the store I am using to be good (我可以信任我常去的商店的服务).
4. I care about the long-term success of the store I am using (我很关心我常去的商店是否能长期兴旺).

5. I feel proud to know that the store I am using is doing better than the competition (我为我常去的商店比其竞争者经营得好而感到骄傲).
6. I consider the store I am using to be the ideal store (我认为我常去的商店是我理想中的商店).

Altogether there were six items loaded outside their original constructs.

Besides these scattered item loading, six factors all had Cronbach's alpha greater

than .73, which meet the requirement for confirmatory study (Hair et al., 1998). All

factors had more than three items which denoted good representation of the

underlying dimensions (Nunnally & Bernstein, 1994; Tabachnick & Fedell, 1996;

Hair et al. 1998). In addition, twelve items of satisfaction representing three

dimensions had Cronbach's alpha of .88, which composed the general satisfaction

factor in the later analysis. See the following table for detailed information on the

loading and Cronbach's alpha of imported variables.

Table 4.3

Factor Analysis: Loading and Cronbach's Alpha of the Imported (Core) Variables

Construct	Item	Loading	Alpha
Loyalty	LOYALTY1	0.61	0.75
	LOYALTY2	0.65	
	LOYALTY3	0.71	
	LOYALTY4	0.44	
Commitment	CMITMNT6	0.58	0.79
	CMITMNT7	0.64	
	CMITMN10	0.62	
Trust	TRUST14	0.51	0.73
	TRUST15	0.43	
	TRUST16	0.68	
	TRUST17	0.72	
Satisfaction with Competition	STCNSM55	0.44	0.83
	STSCMP63	0.69	
	STSCMP64	0.68	
	STSCMP65	0.71	
	STSCMP66	0.49	
Satisfaction with Consumption	STCNSM56	0.50	0.78
	STCNSM57	0.69	
	STCNSM58	0.76	
	STSTRN59	0.49	
Satisfaction with Transaction	STSTRN60	0.53	0.73
	STSTRN61	0.42	
	STSTRN62	0.58	

12 satisfaction items had Cronbach's alpha = .8830
Extraction Method: Maximum Likelihood.
Rotation Method: Varimax with Kaiser Normalization.

Indigenous items revealed nine factors by employing principal components analysis. Their loading ranged from .41 to .82 with four loadings of 0.28 (honesty), 0.36 (responsibility), 0.38 (positive emotion), and 0.39 (kindness) from each of the factors respectively. These loadings were retained in their factors because (1) all these items had clear concepts in their constructs, and (2) they all had contributions

to their factors, which were showed from the Cronbach's alpha of each of these factors. The followings were the items retained for further analysis:

1. I like to shop in a store whose employees help customers to find what they are looking for (我喜欢到传货员能帮助顾客寻找顾客想要的东西的商店采购).
2. The employees in the store I am using did put much effort in helping their customers (我带去的商店的传货员确实很努力帮助顾客).
3. It is wonderful to shop in a store whose employees provide opinion on its products (如果商店的传货员能给我提供他们对此商店的产品的看法，在那里采购就太好了).
4. I usually like to shop in a store whose employees show to have positive emotions (我通常喜欢到传货员的情绪较为积极的商店采购).

Moreover, four items with either low loadings or loaded outside their original constructs were eliminated from the further analysis. The following items were eliminated from their original item pool.

1. I would like to buy in a store whose employees are helpful (我喜欢到传货员能帮助我的商店采购).
2. I prefer to shop in a store, whose employees give me the right information on the products they sell (我愿意到传货员能给我提供他们所卖的产品的正确信息的商店采购).
3. I like the store whose employees would tell me that the product is defective when it is (我喜欢的商店是，当产品有缺陷的时候，其传货员愿意告诉我).
4. Sometimes I will insist on giving a friend a decent gift even if it means borrowing money to buy it (即使是要借钱买，有时我也会坚持给朋友一个象样的礼物).

Cronbach's alpha ranged from .60 to .82 respectively among the nine indigenous factors, which meet the requirement for exploratory study (Hair et al., 1998). Courtesy had the highest alpha of .82, responsibility had alpha of .75, angry hostility had alpha of .75, etc. All the indigenous factors had more than three items loaded on each of the factors. See the following table for detailed information on the loading and Cronbach's alpha of indigenous variables.

Table 4.4

Factor Analysis: Loading and Cronbach's Alpha of the Indigenous
(Moderating) Variables

Construct	Item	Loading	Cronbach's alpha
Courtesy	CRTESY22	0.69	0.82
	CRTESY23	0.51	
	CRTESY24	0.80	
	CRTESY25	0.82	
Responsibility	RESPSB26	0.36	0.75
	RESPSB27	0.72	
	RESPSB28	0.71	
	RESPSB29	0.77	
Angry hostility	AGRYHS43	0.42	0.75
	AGRYHS44	0.71	
	AGRYHS45	0.75	
	AGRYHS46	0.72	
Face	FACE51	0.78	0.74
	FACE52	0.77	
	FACE53	0.80	
Kindness	KINDNS19	0.39	0.68
	KINDNS20	0.70	
	KINDNS21	0.69	
Positive emotion	PSITEM35	0.38	0.71
	PSITEM36	0.72	
	PSITEM37	0.67	
	PSITEM38	0.66	
Honesty	HNESTY32	0.28	0.60
	HNESTY33	0.78	
	HNESTY34	0.81	
Ren Qing	RNQING47	0.62	0.66
	RNQING48	0.41	
	RNQING49	0.64	
	RNQING50	0.65	
Harmony with other	HRMNYW39	0.49	0.64
	HRMNYW40	0.54	
	HRMNYW41	0.52	
	HRMNYW42	0.73	

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Overall, among the imported items, there were 23 items retained out of 29,

and six items eliminated. Among the indigenous items, 33 items were retained out

of 37, and four items were eliminated. See the following table for the detailed information on items eliminated and retained.

Table 4.5
Items Status

Category	Item retain	Item eliminate	Total item
Imported items	23	6	29
Indigenous items	33	4	37

In sum, Cronbach's alphas for both constructs were acceptable with imported variables of over .73 and indigenous variables of over .60. Loadings of imported items were greater than .42, and majority loading of indigenous items were greater than .40 with four exceptions.

Correlation Analysis

The retained items of both imported and indigenous variables from factor analysis were developed into summated scores. The summated scores were carried on to correlation analysis to identify the relations between related hypothesized constructs. Green et al. (2000) suggested checking the descriptive statistics to confirm that the data have no major anomalies. First, the descriptive statistics showed that the data had no major anomalies. All the means ranged from 1.79 to 3.17 within the range of possible values (1 to 5), and all the standard deviations ranged from .45 to .82. Second, all the correlations among the variables were positive for there were no reversed scales in the questionnaire. Therefore, the results of the correlation analysis were ready to interpret (Green et al., 2000, p. 308). See the following table for information on descriptive statistics.

Table 4.6

Descriptive Statistics

Variable	Mean	Std. Deviation
courtesy	2.04	0.59
responsibility	2.19	0.55
angry	1.90	0.64
face	2.71	0.74
kindness	2.09	0.57
positive emotion	2.31	0.55
honesty	2.64	0.61
ren qing	1.79	0.45
harmony with other	2.20	0.56
satisfaction	2.72	0.54
trust	2.52	0.61
commitment	3.17	0.82
loyalty	2.90	0.67

The statistical significant levels of the correlation ranged from .01 to .05. There were seven correlation coefficients under significant level of .05. They were honesty-courtesy (r=.16), satisfaction-courtesy (r=.15), face-angry hostility (r=.14), face-positive emotions (r=.14), face-honesty (r=.16), face-harmony with others (r=.15), and commitment-harmony with others (r=.14). Besides these seven pairs, all statistical significant levels of the correlation were at .01 levels.

All the correlation coefficie¯ ; of the core model had statistical significant levels of .01. They were satisfaction-trust .45, trust-commitment .34, and commitment-loyalty .47. Results supported the hypothesized relationships among the core constructs. For the indigenous hypothesized relationships path model one, result of positive emotion-satisfaction was supported, which was positive emotions-satisfaction .31 and at .01 significant level. The relationship between courtesy-satisfaction .15 was supported at .05 significant level. The hypothesized relationship of path model 2, the result supported the relationships (1) between ren qing-trust .21

at .01 significant level; (2) between honesty-trust .36 at .01 significant level; and (3) between harmony with others-trust .32 at .01 significant level. The relationship between face-trust was not supported. The results of path model 3 showed not relationships among hypothesized pairs.

Over all, the relationships among the constructs of the core model were all supported and confirmed at the .01 level. The relationships among the constructs of the path model which were indigenous variable with exploratory nature were supported for two paths at either .01 or .05 level, the relationships among the path model 3 were not supported at any of the significant levels. The following tables showed the results of correlation analysis.

Table 4.7

Correlation Coefficients (n = 212)

	Variable	1	2	3	4	5	6
1.	courtesy	1.00					
2.	responsibility	0.79**	1.00				
3.	angry	0.53**	0.47**	1.00			
4.	face	0.13	0.19**	0.14*	1.00		
5.	kindness	0.75**	0.69**	0.45**	0.09	1.00	
6.	pstv. emtn.	0.48**	0.51**	0.43**	0.14*	0.46**	1.00
7.	honesty	0.16*	0.25**	0.19**	0.16*	0.28**	0.41**
8.	ren qing	0.26**	0.32**	0.42**	0.31**	0.22**	0.31**
9.	harmony	0.57**	0.51**	0.44**	0.15*	0.42**	0.40**
10.	satisfaction	0.15*	0.22**	0.26**	0.37**	0.12	0.31**
11.	trust	0.34**	0.39**	0.18**	0.04	0.27**	0.30**
12.	commitment	0.03	0.09	0.00	0.22**	0.01	0.19**
13.	loyalty	0.10	0.16*	0.04	0.20**	0.06	0.18**

**Correlation is significant at the 0.01 level (2-tailed).
*Correlation is significant at the 0.05 level (2-tailed).

Table 4.7

Correlation Coefficients (n = 212) (continued)

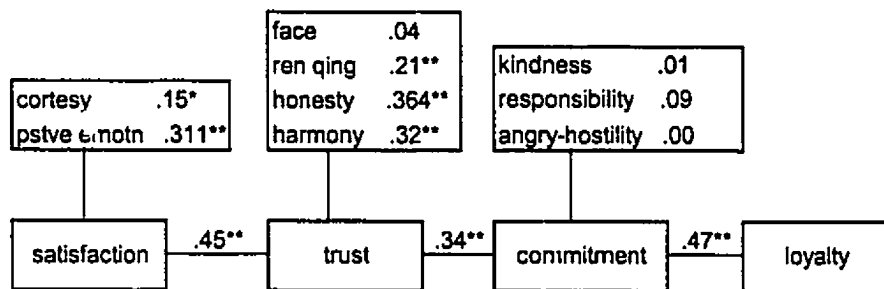|	Variable	7	8	9	10	11	12	13
1.	courtesy							
2.	responsibility							
3.	angry							
4.	face							
5.	kindness							
6.	pstv. emtn.							
7.	honesty	1.00						
8.	ren qing	0.26**	1.00					
9.	harmony	0.19**	0.29**	1.00				
10.	satisfaction	0.51**	0.39**	0.23**	1.00			
11.	trust	0.36**	0.21**	0.32**	0.45**	1.00		
12.	commitment	0.31**	0.20**	0.15*	0.47**	0.34**	1.00	
13.	loyalty	0.21**	0.21**	0.24**	0.38**	0.31**	0.47**	1.00

**Correlation is significant at the 0.01 level (2-tailed).
*Correlation is significant at the 0.05 level (2-tailed).

In sum, all the means and standard deviations ranged within the range of possible values. Second, all the correlations among the variables were positive at .01 to .05 significant levels. The relationships among the constructs of the core model were all confirmed, and the relationships among the constructs of the path models with exploratory nature were partially supported. See the following figure for the correlation coefficients of hypothesized relationships.

Figure 4.1

Correlation Coefficients of Hypothesized Relationships

face	.04
ren qing	.21**
honesty	.364**
harmony	.32**

kindness	.01
responsibility	.09
angry-hostility	.00

| cortesy | .15* |
| pstve emotn | .311** |

satisfaction —.45**— trust —.34**— commitment —.47**— loyalty

**Correlation is significant at the 0.01 level (2-tailed).
*Correlation is significant at the 0.05 level (2-tailed).

Regression Analysis

The regression model is used to study the relationship between a dependent variable and one or more independent variable(s) in order to predict the value of a dependent variable based on the value(s) of independent variable(s) (Nunnally & Bernstein, 1994; Anastasi & Urbina, 1997; Hair et al., 1998). Both simple regression and multiple regression were conducted by using loyalty as the dependent variable in the core model. Loyalty, commitment, trust, and satisfaction were used as the dependent variables in the proposed path models.

In the core model, the dependent variable is loyalty. The explanation chain is satisfaction, trust, and commitment. In the proposed path model, the dependent variables are satisfaction, trust, and commitment. The independen, iables are courtesy, positive emotions, honesty, face, harmony with others, *Ren Qing*, kindness, responsibility and angry hostility. See Figure 4.3 for proposed path model.

Choosing a method between stepwise selection and the other versions of statistical regression has been debated in the literature. Some authors prefer stepwise selection for its data-driven method in selecting variables (Darlington, 1968; Draper & Smith, 1981; Darlington, 1990; Hair et al., 1998), that is, order of entry of variables is based solely on statistics computed from the particular sample drawn. The other authors would disagree with its profound effect on the apparent importance of an IV (Cooley & Lohnes, 1971; Tabachnick & Fedell, 1996). Therefore, given the theory driven nature of the proposed model, enter selection was used to identify the differences on the independent variable(s) in this study.

In regression analysis, the ideal situation would be to have independent variable(s) highly correlated with the dependent variable, but with little correlation among themselves (Hair et al., 1998). This brings multicollinearity issue to the interpretation of the result. The impact of multicollinearity is to reduce any single independent variable's predictive power by the extent to which it is related with the other independent variables (Nunnally & Bernstein, 1994; Hair et al., 1998, p. 188). Moreover, multicollinearity and collinearity have harmful effects on the interpretation of the regression results in precision or accuracy (Greene, 2003; Gujarati, 2003). Therefore, before interpreting and accepting regression results, the degree of multicollinearity and its effect on the results must be examined. I compared the conclusions drawn from the tolerance and variance inflation factor

(VIF) to check multicollinearity among the variables ((Nunnally & Bernstein, 1994; Hair et al., 1998).

Core model

Literature has shown the importance of satisfaction, trust, and commitment in explaining customers' loyalty. Satisfaction is closely related to performance (Arino, 2003) and repurchase; trust plays an important role among business partners and will generate greater profits (Kumar, 1996); and commitment leads to good relationships (Brashear et al., 2003). Furthermore, the conceptual framework from Vasquez-Parraga and Alonso (2000) shows the direct chain among satisfaction, trust, commitment, and loyalty. This explanation chain shows that satisfaction leads to trust, trust leads to commitment, and commitment leads to loyalty (S-T-C-L chain). This direct chain is empirically tested by Alonso (2000) among the long distance customers in the United States. As discussed early, the results justify the propositions and findings of the explanation chain (Vasquez-Parraga and Alonso, 2000; Alonso 2000).

Results of collinearity statistics of the core model showed VIF values ranging from 1.29 to 1.46, which were far below the multicollinearity-indicating value of 10.0 (Neter et al., 1990); and tolerance values ranged from 0.68 to 0.78, which were all greater than 0 (Hair et al., 1998). Since all the values of VIF were smaller than 10.0 and all the values of tolerance were greater than 0, multicollinearity or collinearity among the independent variables did not cause problem for the regression analysis of the core model. See the following table for collinearity statistics of the core model.

Table 4.8

Collinearity Statistics – Core Model

Dependent Variable	Independent Variables	Tolerance	VIF
loyalty	commitment	0.76	1.32
	trust	0.78	1.29
	satisfaction	0.68	1.46

The regression results of the core model show that loyalty is satisfactorily explained by the e·.planation chain formed by commitment, loyalty and satisfaction. Commitment (*Std. Beta*=.35, *t*=5.13, adjusted R^2=.252) is statistically significant at .000 level; trust (*Std. Beta*=.11, *t*=1.63, adjusted R^2=.252) is statistically significant at .105 level, and satisfaction (*Std. Beta*=.17, *t*=2.34, adjusted R^2=.252) is statistically significant at .020 level. See Table 4.9 for regression analysis of the core model.

Overall, the results reveal the following. First, these results justify the empirical findings of relationship between commitment and loyalty (Fullerton, 2003; Hansen et al., 2003; Hennig-Thurau et al., 2001). Second, these results corroborate the empirical findings of the strong relationship between trust and commitment (Morgan & Hunt, 1994; Kumar, 1996; Marshall, 2003). Third, the results justify the empirical finding that trust and satisfaction are strongly related (Bejou et al., 1998; Nijssen et al., 1999). Finally, these independent variables have a joint impact on loyalty, in the form of an explanation chain. This effect is greater than the separate effect of each variable on loyalty and it is based on theory. Confirming the Vasquez-Parraga and Alonso's (2000) approach, this research also shows that satisfaction leads to trust, trust leads to commitment, and commitment leads to loyalty.

In sum, these results indicate that commitment, trust, and satisfaction are the joint predictors of loyalty as they were hypothesized in the core model and tested in previous research (Alonso, 2000; Vasquez-Parraga & Alonso, 2000; Pritchard et al., 1999). See the following figure for the core model.
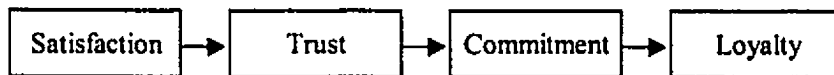
Figure 4.2

Core Model

Table 4.9

Regression Analysis – Core Model (N=212)

Dependent Variable	Predictor Variable	Coefficients				Correlation Partial	Model		ANOVA		
		Unstandardized Coefficients B	Standardized Coefficients Beta	t	Sig.		R^2	Adjusted R^2	df	F	Sig.
loyalty	(Constant)	1.12	—	4.92	0.000	—	0.262	0.252	3	24.65	0.000
	commitment	0.28	0.35	5.13	0.000	0.34	—	—	208	—	—
	trust	0.12	0.11	1.63	0.105	0.11	—	—	—	—	—
	satisfaction	0.21	0.17	2.34	0.020	0.16	—	—	—	—	—

Proposed Model

Results of collinearity statistics showed VIF values ranging from 1.0 to 2.24, which were well below the multicollinearity-indicating value of 10.0 (Neter et al., 1990); and tolerance values ranged from 0.45 to 1.0, which were all greater than 0 (Hair et al., 1998). Since all the values of VIF were smaller than 10.0 and all the values of tolerance were greater than 0, multicollinearity or collinearity among the independent variables was not a problem for the regression analysis of the proposed model. All the values of VIF and tolerance were within accepted range. See the following table for collinearity statistics.

Table 4.10

Collinearity Statistics – Proposed Model

Dependent Variable	Independent Variable(s)	Tolerance	VIF
loyalty	commitment	1.00	1.00
commitment	trust	0.85	1.18
	kindness	0.50	1.99
	responsibility	0.45	2.24
	angry	0.75	1.34
trust	satisfaction	0.61	1.63
	face	0.83	1.20
	ren qing	0.77	1.29
	honesty	0.73	1.37
	harmony with other	0.89	1.12
satisfaction	courtesy	0.77	1.29
	positive emotion	0.77	1.29

First, the regression results of commitment (*Std. Beta*=.47, *t*=7.66, adjusted R^2=.215, *p*=.000) is statistically significant, indicating that commitment (predictor variable) is directly associated with loyalty (dependent variable) as it was hypothesized in the proposed model. This result justifies Fullerton's (2003) empirical findings that customer commitment based on shared values and

identification has a uniformly positive impact on customer loyalty. It also confirms the empirical findings of direct effect of commitment of service employees on intention to stay (Hansen et al., 2003), and students' commitment and loyalty to their institution (Hennig-Thurau et al., 2001). Overall, the results corroborate direct relationship between commitment and loyalty as identified in the literature (Pritchard et al., 1999).

Second, the regression results of trust (*Std. Beta*=.36, *t*=5.06, adjusted R^2=.108, *p*=.000) is statistically significant, indicating that trust is directly associated with commitment (dependent variable) as it was hypothesized in the proposed model. The regression results of kindness (*p*>.05), responsibility (*p*>.05) and angry hostility (*p*>.05) are not statistically significant, demonstrating that those predictor variables are not directly related to commitment as they were hypothesized in the proposed model. The results of this model corroborate the empirical findings of Yilmaz and Hunt (2001) that trust is significant predictors of commitment; and the strong relationship between trust and commitment (Morgan & Hunt, 1994; Kumar, 1996; Marshall, 2003).

Third, the regression results of satisfaction (*Std. Beta*=.38, *t*=5.07, adjusted R^2=.275, *p*=.000), face (*Std. Beta*= -.16, *t*= -2.49, adjusted R^2=.275, *p*=.013), honesty (*Std. Beta*=.15, *t*=2.19, adjusted R^2=.275, *p*=.030), and harmony with others (*Std. Beta*=.38, *t*=5.07, adjusted R^2=.275, *p*=.000) are statistically significant, indicating that satisfaction, face, honesty, and harmony with others are directly associated with trust (dependent variable). The regression results of *ren qing* (*p*>.05) is not statistically significant, indicating that face as predictor variable is not directly related to trust as it was hypothesized in the proposed model. The results of this path model justify the empirical finding from financial services sector and service

industry that trust and satisfaction are strongly related (Bejou et al., 1998; Nijssen et al., 1999).

Finally, the regression results of positive emotions (*Std. Beta*=.31, *t*=4.18, adjusted R^2=.088, *p*=.000) is statistically significant, demonstrating that positive emotions as predictor variable is directly associated with satisfaction (dependent variable). The regression results of courtesy (*p*>.05) is not statistically significant, showing that courtesy as a predictor variable is not directly related to satisfaction as it was hypothesized in the proposed model. The regression result of this path model empirically supports Rossomme's (2003) proposition that customers form satisfaction based on their psychological judgments of pleasure or comfort surrounding the relationship with the supplier, which is store employees in this study.

In sum, commitment (predictor variable) is found to be associated with loyalty (dependent variable); trust (predictor variable) is found to be related to commitment (dependent variable); satisfaction, face, honesty, and harmony with others (predictor variables) are found to be associated with trust (dependent variable), and positive emotions (predictor variable) is found to be related to satisfaction (dependent variable). The hypothesized relationships among variables in the proposed model have been partially supported as previously discussed. Furthermore, the standardized coefficients (*Beta*) values are all around .30, the medium effect (Kline 1998); and with two standardized coefficients (*Beta*) values greater than .10, which are larger than small effect suggested by Kline (1998). See the following table for the summary of regression analysis.

Table 4.11

Summary of Regression Analysis - Proposed Model (N=212)

Dependent Variable	Predictor Variable	Unstandardized Coefficients B	Standardized Coefficients Beta	t	Sig.	Correlation Partial	R²	Adjusted R²	df	F	Sig.
loyalty	(Constant)	1.69	—	10.43	0.000	—	0.219	0.215	1	58.74	0.000
	commitment	0.38	0.47	7.66	0.000	0.47	—	—	210		
commitment	(Constant)	2.21	—	7.92	0.000	—	0.125	0.108	4	7.36	0.000
	trust	0.48	0.36	5.06	0.000	0.33	—	—	207	—	—
	kindness	-0.15	-0.10	-1.12	0.266	-0.08	—	—	—	—	—
	responsibility	0.06	0.04	0.42	0.678	0.03	—	—	—	—	—
	angry	-0.04	-0.03	-0.46	0.643	-0.03	—	—	—	—	—
trust	(Constant)	0.77	—	3.32	0.001	—	0.293	0.275	5	17.04	0.000
	satisfaction	0.43	0.38	5.07	0.000	0.33	—	—	206	—	—
	face	-0.13	-0.16	-2.49	0.013	-0.17	—	—	—	—	—
	ren qing	0.00	0.00	0.02	0.980	0.00	—	—	—	—	—
	honesty	0.15	0.15	2.19	0.030	0.15	—	—	—	—	—
	harmony	0.25	0.23	3.68	0.000	0.25	—	—	—	—	—
satisfaction	(Constant)	2.02	—	12.37	0.000	—	0.097	0.088	2	11.17	0.000
	courtesy	0.00	0.00	-0.04	0.968	0.00	—	—	209	—	—
	psitve emtn	0.31	0.31	4.18	0.000	0.28	—	—	—	—	—

Method: Enter

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Moderating Effects in the Model

In order to examine the moderating effects of the Chinese factors in the model, I use the interaction effects between the independent variables and the Chinese factors. The use of interaction effects is preceded by the examination of their collinearity and multicollinearity statistics. Results of collinearity statistics of interaction effect showed VIF values ranging from 1.29 to 6.52, which were below the multicollinearity-indicating value of 10.0 (Neter et al., 1990); and tolerance values ranged from 0.15 to 0.78, which were all greater than 0 (Hair et al., 1998). Since all the values of VIF were smaller than 10.0 and all the values of tolerance were greater than 0, multicollinearity or collinearity among the independent variables did not cause problem for the regression analysis of interaction effect. See the following table for collinearity statistics of interaction effect.

Table 4.12

Collinearity Statistics of Interaction Effect

Dependent Variable	Independent Variables	Tolerance	VIF
loyalty	commitment	0.76	1.32
	trust	0.78	1.29
	satisfaction	0.68	1.46
loyalty	commitment	0.20	5.09
	trust	0.17	5.89
	satisfaction	0.25	3.94
	commitment kindness interaction	0.21	4.71
	commitment responsibility interaction	0.15	6.52
	commitment angry interaction	0.39	2.57
	trust face interaction	0.45	2.21
	trust honesty interaction	0.26	3.88
	trust harmony interaction	0.27	3.66
	trust ren qing interaction	0.28	3.54
	satisfaction courtesy interaction	0.17	5.89
	satisfaction positive interaction	0.30	3.37

To conduct the interaction effect analysis, I compare the imported variables and indigenous variables among the current sample, which is the sample from Chinese context. Two analyses were conducted, one on the main effect and the other on the interaction effect (Umesh et al., 1996; Zikmund, 2003). First, the influence of satisfaction, trust, and commitment (independent variables) on loyalty (dependent variable) was checked by conducting regression analysis. The independent variables in the core model are not just independent variables but are an explanation chain as well (Hunt, 1991, p. 90).

Second, combinations of indigenous variables and independent variables of the core model measure their influence on loyalty, which is interaction effect. The regression results showed four pairs of negative correlations partial, which are commitment-kindness, commitment-angry, trust-honesty, and satisfaction-courtesy. By eliminating negative factors, desirable results did not show up (R^2=.272). The results of eliminating these negative interactions did not overcome the overall effect of the interaction terms in the final R Square. On the contrary, the R square decreased from .283 to .272 and dropped .011 after eliminating these negative interactions. Therefore, the current interaction effect model (R^2=.283) is maintained.

To know the net effects of the moderating variables in the model, I compare the regression results of both models, the core model and the moderated model. The regression results show that the R^2 of the core model is .262. The R^2 of interaction effect with indigenous variables and imported variables is .283. The Chinese effect is .02. This shows that the Chinese factors have a role in the overall explanation but that role does not eliminate or obscure the role of the core variables. The net gain in the explanation (.02) is good even though it is not high. This is primarily because the core variables, particularly commitment, are very powerful in their role to

explain loyalty. Yet, a net increase demonstrates the importance of considering the Chinese factors for further analysis. Thus, an analysis of latent structures is needed. The main reason of conduct the analysis of latent structures is to see the indirect effects of the model on the dependent variable that the regression analysis cannot reveal. Such indirect effects increase the R squared of the final model. This consideration is justified by the results of analysis of latent structures. The results of latent structures shows that the Chinese factors of responsibility, *Ren Qing*, face, and honesty did play the roles in the overall model fit. The modified model reveals the detailed information on these Chinese factors' role.

Overall, the core model does hold in the Chinese context corroborating the empirical findings of Alonso (2000) and the Chinese factors did add explanation to the core model by showing an improvement in the explanation of loyalty in a Chinese context. See the following table for the results of interaction effect.

Table 4.13

Summary of Regression Analysis - Interaction Effect of Model (N=212)

| Dependent Variable | Predictor Variable | Coefficients | | | | Correlation Partial | Model | | ANOVA | | |
		Unstandardized Coefficients B	Standardized Coefficients Beta	t	Sig.		R^2	Adjusted R^2	df	F	Sig.
loyalty	(Constant)	1.12	—	4.92	0.000	—	0.262	0.252	3	24.65	0.000
	commitment	0.28	0.35	5.13	0.000	0.34	—	—	208	—	—
	trust	0.12	0.11	1.63	0.105	0.11	—	—	—	—	—
	satisfaction	0.21	0.17	2.34	0.020	0.16	—	—	—	—	—
loyalty	(Constant)	1.21	—	4.278	0.000	—	0.283	0.240	12	6.55	0.000
	commitment	0.32	0.39	2.908	0.004	0.20	—	—	199	—	—
	trust	-0.03	-0.02	-0.160	0.873	-0.01	—	—	—	—	—
	satisfaction	0.20	0.16	1.374	0.171	0.10	—	—	—	—	—
	cmit-kndns	-0.02	-0.09	-0.715	0.475	-0.05	—	—	—	—	—
	cmit-rspnsblty	0.02	0.09	0.582	0.561	0.04	—	—	—	—	—
	commit-angry	-0.03	-0.11	-1.133	0.259	-0.08	—	—	—	—	—
	trust-face	0.01	0.03	0.321	0.748	0.02	—	—	—	—	—
	trust-hnsty	-0.02	-0.07	-0.553	0.581	-0.04	—	—	—	—	—
	trust-hrony	0.05	0.16	1.390	0.166	0.10	—	—	—	—	—
	trust-renqing	0.03	0.09	0.760	0.448	0.05	—	—	—	—	—
	satis-crtsy	-0.01	-0.03	-0.174	0.862	-0.01	—	—	—	—	—
	satis-pstve	0.01	0.03	0.258	0.797	0.02	—	—	—	—	—

The Chinese effect = R^2 int – R^2m = .02.   Method: Enter

Structural Equation Modeling

The rationale of conducting structural equation modeling was discussed early.

Some terms in both traditional statistical techniques and structural equation

modeling are labeled and compared in the following table to clear potential

confusion in the research. In previous regression analysis, independent variable was

named as predictor variable in structural equation modeling (SEM), and dependent

variable was named as criterion variable. See the following table for the labels of

these variables.

Table 4.14

Variable Labels in Structural Equation Modeling

Studies	Labels	
Experimental	independent variable (X)	dependent variable (Y)
Non-experimental	predictor variable	criterion variable
SEM	exogenous variable	endogenous variable
	latent variable	observed variable
	factor	manifest variable
	construct	indicator

Kline (1998)

All structural equation models were conducted by using AMOS 4.01 Build

344 (Arbuckle, 1999). Two stage analyses were conducted to test hypotheses in the

proposed model, and modify the proposed model accordingly. See the following

figure for the proposed model.

Figure 4.3

Proposed Path Model
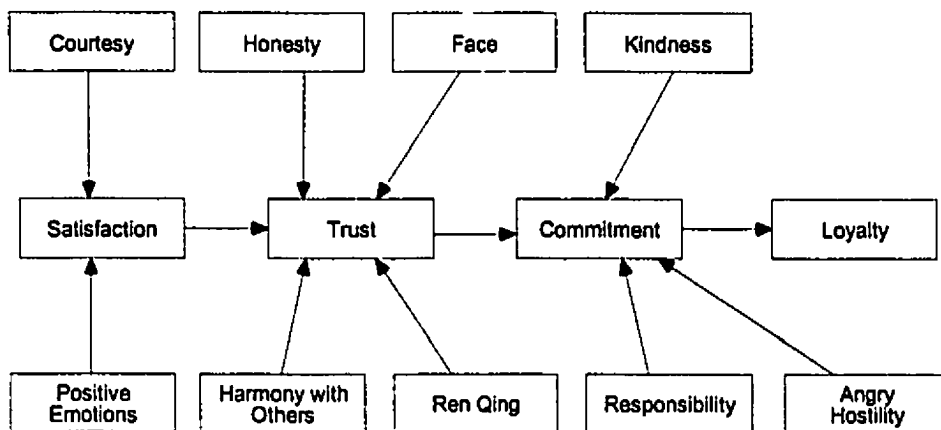
Overall Fit Measure of Proposed Model

To examine the model fit, the following measure diagnostics were employed: Chi-square, goodness of fit index (GFI), adjust GFI (AGFI), normed fit index (NFI), root mean square error of approximation (RMSEA), and Comparative fit index (CFI) as recommended from existing literature (Bentler & Bonett, 1980; Fornell & Larcker, 1981; Bentler, 1990; Gerbing et al., 1994; Hair et al., 1998; Joreskog & Sorbom, 2001; Gillil & & Bello, 2002).

The results of the proposed model revealed Chi-square (df) of 949.179(66) significant at .000 level. The ratio of χ^2/df is 14.38 is greater than 3 and does not meet the minimally acceptable ratio: $\chi^2/df < 3$. Moreover, low and nonsignificant values of the χ^2 index are desired. This "indicates that overall fit of the overidentified model does not differ statistically from that of a just-identified version of it" (Kline, 1998, p. 128). The GFI and AGFI were .496 and .305

respectively, which were lower than desired values for the perfect fit should have value of 1 for both of them (Hair et al., 1998; Kline, 1998; Joreskog & Sorbom, 2001). The values of NFI and CFI were both .155, whereas the favorable values of them are .90 (Bentler & Bonett, 1980; Bentler, 1990; Joreskog & Sorbom, 2001). These two values are far from the favorable values. Overall, the proposed model did not show good fit based on the recommended guideline.

For root mean square error of approximation (RMSEA), Browne and Cudeck (1993) recommend that "a value of the RMSEA of about 0.08 or less for the RMSEA would indicate a reasonable error or approximation and would not want to employ a model with a RMSEA greater than 0.1." (p. 402) The result of proposed path model showed the value of RMSEA of .252, which is far more than the recommended value (Browne & Mels, 1992). Overall, the fit of the proposed model did not fall within the standards or recommendation indicating a poor model fit. Therefore, the modified model was conducted to check the model fit later. See the following table for results of proposed model.

Table 4.15
Summary of Results of Proposed Model and Modified Model

Proposed Model			Modified Model		
Linkages in the Model	Standard Estimate	t-value	Linkages in the Model	Standard Estimate	t-value
Commitment→Loyalty	0.468	7.67***	Commitment→Loyalty	0.369	5.44***
Trust→Commitment	0.357	5.06***	Satisfaction→Loyalty	0.210	3.10**
Responsibility→Commitment	0.041	0.42	Trust→Commitment	0.160	2.38*
Kindness→Commitment	-0.102	-1.12	Satisfaction→Commitment	0.398	5.90***
Angry Hostility→Commitment	-0.035	-0.46	Satisfaction→Trust	0.384	6.45***
Satisfaction→Trust	0.379	5.07***	Responsibility→Trust	0.308	5.17***
Honesty→Trust	0.150	2.19*	Face→Satisfaction	0.235	4.10***
Face→Trust	-0.160	-2.49*	Honesty→Satisfaction	0.420	7.42***
Harmony with others→Trust	0.228	3.68***	Ren Qing→Satisfaction	0.210	3.56***
Ren Qing→Trust	0.002	0.02	—	—	—
Courtesy→Satisfaction	-0.003	-0.04	—	—	—
Positive Emotions→Satisfaction	0.312	4.18***	—	—	—
Proposed Model Diagnostics		p-value	Modified Model Diagnostics		p-value
Chi-Square (df)	949.179$_{(66)}$	$p<.000$	χ^2 (df)	22.019$_{(13)}$	$p=.055$
GFI	0.496	$p<.000$	GFI	0.976	$p<.000$
Adjusted GFI	0.305		AGFI	0.933	
Normed fit index	0.155		NFI	0.943	
Comparative fit index	0.155		CFI	0.975	
RMSEA	0.252		RMSEA	0.057	
Commitment→Loyalty	0.000		Commitment→Loyalty	0.369	5.44***

*$p<.05$;   **$p<.01$;   ***$p<.000$

Test of the Hypotheses

Satisfaction → Trust. The path of satisfaction and trust is proposed as hypothesis one. The standardized estimate of this path is .38 with significant level of .000. The R^2 for this path model is .29 with trust as dependent variable and satisfaction as one of the predictor variables. The results show support for hypothesis one that satisfaction is a predictor of trust; that is, the more satisfaction the customers have, the more trust the customer have toward the store they are using.

Positive Emotion → Satisfaction. The relationship between positive emotion (predictor variable) and satisfaction (dependent variable) is significant at .000 with the standardized coefficients of .31. This path was the only one that has statistical significance in satisfaction path model, which shows that greater positive emotion on the part of the employees, as perceived by the customer, leads to more customer's satisfaction.

Trust → Commitment. Hypothesis two has path between trust and commitment with trust as predictor variable and commitment as dependent variable. The standardized estimate of trust and commitment is .36, significant at .000 level, and the R^2 for this path model is .13. This result supports hypothesis two that the more trust the customers have toward the store they are using, the more commitment the customer will have toward the store.

Commitment → Loyalty. The results of commitment (predictor variable) and loyalty (dependent variable) reveals the standardized estimate of .47, and R^2 ·′ .22, significant at .000 level. This is the highest standardized coefficient in the whole model, which support hypothesis three that the more commitment the

customers have, the more loyalty the customer would have toward the store they are using, and show that commitment is a good indicator of loyalty.

Honesty → Trust. The results of path between honesty (predictor variable) and trust (dependent variable) has the lowest standardized coefficients in the whole model, however, it is statistical significant at .03 level. The R^2 of this path model is .30 which is the highest R^2 in the overall model. These results support hypothesis six that greater honesty on the part of the employees, as perceived by the customer, leads to more customer's trust.

Harmony with Other → Trust. In harmony with other (predictor variable) and trust (dependent variable) path, which is hypothesis eight, the result shows .23 standardized estimates with significant level of .000, and R^2 of .30. This result indicates that greater harmony with other on the part of the employees, as perceived by the customer, leads to more customer's trust.

Face (Mian Zi) → Trust. The relationship between face (*Mian Zi*) and trust was hypothesized as face being predictor variable and trust as dependent variable. The standardized estimates of this path is negative .16, however, it is significant at .01 level with R^2 of .30. This does not support the hypothesis nine, which hypothesized that greater face (*Mian Zi*) on the part of the employees, as perceived by the customer, leads to more customer's trust. The results show that greater face (*Mian Zi*) on the part of the employees, as perceived by the customer, leads to less customer's trust.

Courtesy → Satisfaction. Hypothesis 4, greater courtesy on the part of the employees, as perceived by the customer, leads to more customer's satisfaction, is not supported.

Ren Qing → Trust. Hypothesis 7 states that greater *Ren Qing* on the part of the employees, as perceived by the customer, leads to more customer's trust, which is not supported in the proposed model.

Kindness → Commitment. Hypothesis 10 proposes that greater kindness on the part of the employees, as perceived by the customer, leads to more customer's commitment. This relationship is not supported in the proposed model.

Responsibility → Commitment. Hypothesis 11 states that greater responsibility on the part of the employees, as perceived by the customer, leads to more customer's commitment. The results do not support this path in the proposed model.

Angry-hostility → Commitment. Hypothesis 12 proposed that greater angry-hostility on the part of the employees, as perceived by the customer, leads to less customer's commitment. The results do not support this relationship in the proposed model.

In general, half of the hypotheses were supported in the proposed model, and half of them were not supported by the results from proposed model. In addition, the model fit is not perfect based on the standards and criterion recommended in the literature. See the following table for the summary of the results of hypotheses in proposed model.

Table 4.16

Results of Hypotheses

Path	Hypotheses	Results
Satisfaction → Trust	H 1: The more satisfaction the customers have, the more trust the customers have toward the store they are using.	Supported**
Trust → Commitment	H 2: The more trust the customers have toward the store they are using, the more commitment the customers will have toward the store.	Supported**
Commitment → Loyalty	H 3: The more commitment the customers have, the more loyalty the customers would have toward the store they are using.	Supported**
Courtesy → Satisfaction	H 4: Greater courtesy on the part of the employees, as perceived by the customer, leads to more customer's satisfaction.	Not Supported
Positive Emotion → Satisfaction	H 5: Greater positive emotion on the part of the employees, as perceived by the customer, leads to more customer's satisfaction.	Supported**
Honesty → Trust	H 6: Greater honesty on the part of the employees, as perceived by the customer, leads to more customer's trust.	Supported*
Ren Qing → Trust	H 7: Greater *Ren Qing* on the part of the employees, as perceived by the customer, leads to more customer's trust.	Not Supported
Harmony with Other → Trust	H 8: Greater harmony with other on the part of the employees, as perceived by the customer, leads to more customer's trust.	Supported**
Face (*Mian Zi*) → Trust	H 9: Greater face (*Mian Zi*) on the part of the employees, as perceived by the customer, leads to more customer's trust.	Not Supported*
Kindness → Commitment	H 10: Greater kindness on the part of the employees, as perceived by the customer, leads to more customer's commitment.	Not Supported
Responsibility → Commitment	H 11: Greater responsibility on the part of the employees, as perceived by the customer, leads to more customer's commitment.	Not Supported
Angry-hostility → Commitment	H 12: Greater angry-hostility on the part of the employees, as perceived by the customer, leads to less customer's commitment.	Not Supported

$*p<.05;$ $**p<.000$

The Modified Model

After examining the results and purifying the proposed model, a modified path model with good fit and results are discussed in this section.

Overall Fit Measure of Modified Model

To examine the model fit, the same measure diagnostics were employed in this modified model as they were used in the proposed model, such as Chi-square, GFI, AGFI, NFI, RMSEA, and CFI as recommended from existing literature (Bentler & Bonett, 1980; Fornell & Larcker, 1981; Bentler, 1990; Gerbing et al., 1994; Hair et al., 1998; Joreskog & Sorbom, 2001; Gillil & & Bello, 2002).

The Chi-square (df) of the modified model is 22.019 (13) significant at .055 level. The ratio of χ^2/df is 1.69, which is low enough and less than 3. This results meet the minimally acceptable ratio of $\chi^2/df < 3$ well. Moreover, it meets the desired nonsignificant values of the χ^2 index. This "indicates that overall fit of the overidentified model does not differ statistically from that of a just-identified version of it" (Kline, 1998, p. 128). The GFI is .976 and AGFI is .933, which are close to the perfect fit value of 1 (Hair et al., 1998; Kline, 1998; Joreskog & Sorbom, 2001). The value of NFI is .943 and CFI is .975, these values exceed the favorable values of .90 (Bentler & Bonett, 1980; Bentler, 1990; Joreskog & Sorbom, 2001), these two values are all above the favorable values.

For root mean square error of approximation (RMSEA), by following the Browne and Cudeck (1993) recommendation, the guideline of a value of the RMSEA of about 0.08 or less for the RMSEA is taken into consideration because it indicates a reasonable error or approximation. The value of RMSEA smaller than 0.1 is the criterion for this modified model. The result of the modified model

showed the value of RMSEA of .057, which is less than the recommended value

(Browne & Mels, 1992). Overall, the fit of the modified model falls in the standards

or recommendation indicating a good model fit as shown in the previous table of

results of proposed model and modified model. The modified model is presented in

the following.

Figure 4.3

Modified Model
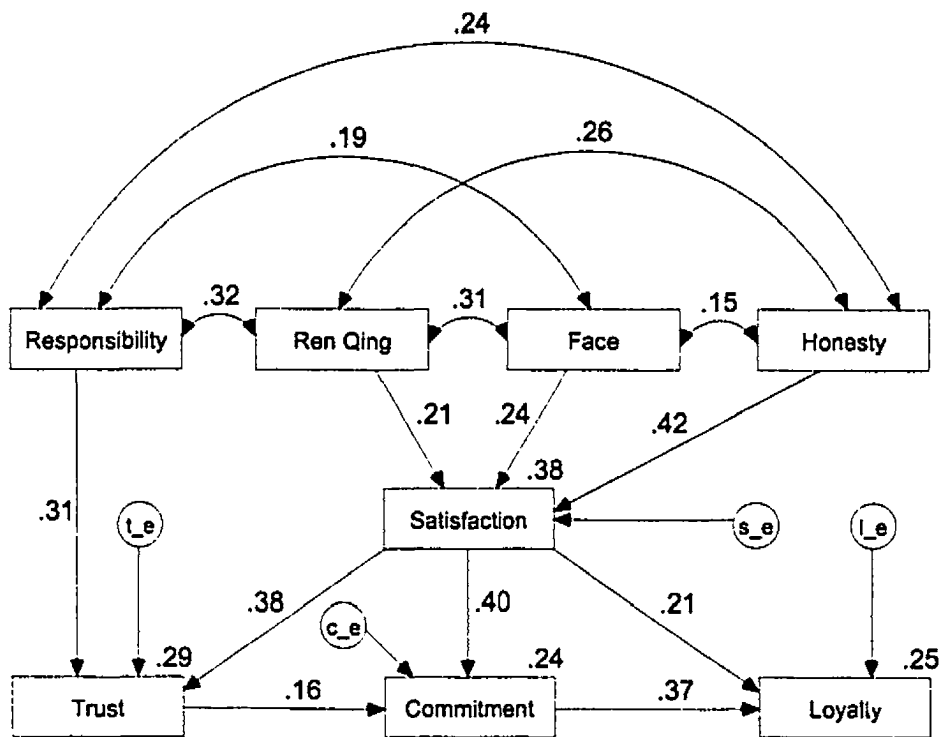
Overall, the modified model works much better than the proposed model

from both parsimonious dimension and model fit based on the standards from the

literature (Bentler & Bonett, 1980; Fornell & Larcker, 1981; Bentler, 1990; Gerbing

et al., 1994; Hair et al., 1998; Arbuckle & Wothke, 1999; Joreskog & Sorbom, 2001;

Gillil& & Bello, 2002).

The results of the modified model show nine paths or relationships among the variables: commitment to loyalty, satisfaction to loyalty, trust and commitment, satisfaction and commitment, satisfaction and trust, responsibility and trust, face to satisfaction, honesty to satisfaction, and *Ren Qing* to satisfaction.

Given some relationships in the proposed model did not work as expected; an interaction effect model and a modified model are produced. This interaction effect model shows a significant improvement in the explanation of loyalty. The R^2 went from .26 to .28, which demonstrates the importance of the Chinese factors on the model that the regression analysis cannot reveal.

The modified model reveals that satisfaction is the most important indicator in building customer loyalty. This strongly supports the existing literature (Andre & Saraiva, 2000; Edvardsson et al., 2000; Hackl et al., 2000; Kanji, 2000; McColl-Kennedy & Schneider, 2000; Scharitzer & Kollarits, 2000; Murgulets et al., 2001). Trust has an important role in establishing relationships (Strong & Weber 1998). The modified model indicates that the satisfaction, responsibility, honesty, and *Ren Qing* are indicators of trust. On the other hand, trust and satisfaction are the indicators of commitment. Therefore, the modified model shows little support for some of the previous findings on direct paths between satisfaction, trust, commitment and loyalty. On the contrary, results show that satisfaction serves as an indicator for trust, commitment, and loyalty. Furthermore, it confirms that trust is not a direct indicator of loyalty in the modified model, which justifies the empirical findings of Alonso (2000) that commitment is the direct indicator of customer loyalty.

Chapter Summary

In sum, the results of factor analysis, correlation analysis, regression analysis and structural equation modeling are presented and discussed. The Cronbach's alpha (core constructs above .70, and indigenous constructs above .60), correlation coefficients, standardized coefficients were discussed. In the modeling test of both proposed model and modified model, the standardized estimates, Chi-square, GFI, AGFI, NFI, RMSEA, and CFI are fully elaborated. The results of hypotheses show some are supported and some are not. The proposed model reveals some of the paths and relationships among some indicators, which tend to disagree with some of the existing literature that trust, commitment, and loyalty are directly associated with each other. Some of the results show support and justify some relationships as well. The results of interaction effect show that the Chinese factors add explanation to the core model. Finally, the modified model is presented and addressed, for overall it shows very good model fit with values approaching to perfect model fit. The next chapter presents conclusions, limitations, and recommendations for future research.

CHAPTER V

CONCLUSIONS, LIMITATIONS, AND RECOMMENDATIONS
FOR FUTURE RESEARCH

Summary and Conclusion

The major interest of this study is to answer the following three main research questions concerning customers' loyalty in China's context: (1) What is the process whereby Chinese customers develop and maintain loyalty? That is, what are the drivers of customer loyalty in China? (2) Are those drivers, such as satisfaction, trust, and commitment developed in the West, also drivers among Chinese customers? That is, do measures of customer loyalty developed and used in the West represent reliable and valid measures when employed to measure Chinese customer loyalty? (3) What other drivers, if any, can help explain loyalty among Chinese customers?

With respect to the first research question, first this study presents the review of literature from both Western and Eastern world to model the way Chinese consumers develop and maintain loyalty. The associations among satisfaction, trust, commitment, and loyalty are fully addressed. The study proposes the direct path or explanation chain (Hunt, 1991, p. 90) between satisfaction and trust; trust to commitment; and commitment to loyalty, which serves as the core model and proposed path model.

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Second, for the research question two, by going over the literature, on site interview and field research, this study develops the instruments to test hypotheses derived from the model with both imported items: satisfaction, trust, commitment, and loyalty; and indigenous items: courtesy, positive emotion, honesty, harmony with other, kindness, responsibility, and angry hostility.

Finally, by testing the hypotheses formulated, the study identifies the drivers of satisfaction, trust, commitment, and loyalty among Chinese customers. They are honesty, harmony with other, positive emotions, and face (*mian zi*). The relationship and path between these drivers are: honesty is found as driver of trust; harmony with other is the indicator of trust; positive emotions shows linkage to satisfaction, and face (*mian zi*) demonstrates negative association with trust.

Overall, the empirical results show statistical significant support for the fundamental paths and explanation chain that satisfaction leads to trust, trust leads to commitment, and commitment leads to loyalty among Chinese potential customers. In addition, the antecedents of trust and satisfaction are found in a different culture.

This study contributes to the relationship marketing in three areas. First, by using empirical research, this study tests the conceptual model of Vasquez-Parraga and Alonso (2000), confirms the finding of existing model tested by Alonso (2000) and trust→commitment path model of Morgan and Hunt (1994) in the Western world cross-culturally and cross industry. Second, it finds the antecedents for trust and satisfaction from a different culture. Third, it serves as a pioneer of the relationship between customers and retailers in China, and the first attempt to test this loyalty model in China's context by employing both imported and indigenous

scales. The indigenous scales serve as exploratory material for the future customer relationship research in China and East Asia.

In general, this dissertation concludes with core model, proposed model, and modified model in the following.

Core model. The contributions of this dissertation relate to both the core model and the proposed model. Regarding the core model, the explanation chain formed by commitment, loyalty and satisfaction explains loyalty satisfactorily. On the other hand, the trust component had to be improved. In China, trust has to be amplified in order to capture additional dimensions that may be present in the Chinese culture. With this improvement, the core model was tested for the first time in an Eastern culture. Overall, these variables have a joint impact on loyalty, in the form of an explanation chain. This effect is greater than the separate effect of each variable on loyalty, and it is based on theory. Confirming Vasquez-Parraga and Alonso's (2000) approach, this research also shows that satisfaction leads to trust, trust leads to commitment, and commitment leads to loyalty.

In sum, first this research confirmed that the more satisfaction the customers have, the more trust they have toward the store they are using. Second, the more trust the customers have toward the store they are using, the more commitment they will have toward the store. Third, the more commitment the customers have, the more loyalty they would have toward the store they are using.

Proposed model. Regarding the Proposed model, the research found that the Chinese factors did add explanation power to the core model by showing an improvement in the explanation of loyalty in a Chinese context. However, some relationships in the proposed model did not work as expected, prompting the needs to produce an interaction effect model. This interaction effect model shows a

significant improvement in the explanation of loyalty. The R^2 went from .26 to .28, which signals the importance of the Chinese factors in the development of loyalty, but not to the extent of undermining the importance of the core model. In addition, regarding to the Chinese factors, this research found that four of the Chinese factors had significant contributions to the proposed model.

First, this research found that greater positive emotion on the part of the employees, as perceived by the customer, leads to more customer's satisfaction. Second, greater honesty on the part of the employees, as perceived by the customer, leads to more customer's trust. Third, greater harmony with other on the part of the employees, as perceived by the customer, leads to more customer's trust. Finally, greater face (*Mian Zi*) on the part of the employees, as perceived by the customer, does not lead to more customer's trust.

Modified model. The modified model on the basis of structural equation modeling shows that the Chinese factors affect the core model rather indirectly, as shown by the comparison between the interaction effects on the loyalty (R^2=.28) and the simultaneous effects on loyalty (R^2=.37).

Limitations of the Study

The use of Chinese nationals living in the United States as participants in screening, ranking and pre-test might put more weight in generalizability of the findings. This approach, however, causes some concern. The majority of the Chinese nationals living in the United States have good educational backgrounds and cultural shortcoming for they live in another country rather than their home country. Besides, as China has changed dramatically in recent years, this group of people might keep their old value system and might not be able to catch up with

the rapid changes in China. This might be why only four out of nine indigenous constructs for the proposed model show statistical significance. Future research on China needs to take all constructs to be purified among the Chinese participants in China. This can detect precise factors or dimensions representing the real phenomenon over there.

A second concern is the lack of information on the stores participants visit. It limits interpretation of the empirical findings. Future research needs to have the questions concerning the store the participants use. Research should be done cross industry and in the East Asia nations where Chinese culture has the most influence, like Japan, Korea, and Singapore. This may lead to good applications of the findings to the real world, and to the service providers like retailers.

One final concern is that given China has been experiencing fast growth; the findings need to be interpreted with caution over time. It may be better to do longitudinal research, like test the model and instruments every five years. In so doing, the finding might show different results.

Recommendations for Future Research

In sum, future research should consider using real people from the location where the phenomenon might take place to conduct all the measurement development. Research closer to the phenomenon is better at detecting underlying dimensions. Second, doing a cross-cultural research in the countries with Chinese cultural influence, or testing the instrument in the Western world may show if the indigenous measures hold and if the Chinese effect is still there. This may tell if the values are merging in the global business environment. Finally, cross-sectional

research has its shortcoming; a longitudinal research is highly recommended. In so doing, a stable model and instruments may be established and developed.

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Dear Sir/Madam,

I am a doctoral student in College of Business Administration of the University of Texas-Pan American. I am doing research on the long-term relationships of store and customers as a Ph.D. dissertation at The University of Texas-Pan American. The purpose of this study is to investigate the impact of store employees' behaviors and attitudes on the long-term relationships of stores and customers.

If you have purchase experience, I would be exceptionally grateful if you would take part in this research. The attached survey should take approximately 20 to 30 minutes of your time. There are no right or wrong answers, and your answers are correct answers. PLEASE reply, if at all possible, within FOUR (4) weeks.

Your response on the Survey will be anonymous. After tabulation, all individual responses will be electronically discarded. Taking part in this research is completely voluntary. Your help is greatly appreciated.

If you want to know more about this research, you can contact me, personally: Chu Yun, College of Business Administration, UTPA, e-mail: <ychu@panam.edu>. Tel.: (956) 381-2590; FAX: (956) 381-2867.

Sincerely yours,

Chu Yun
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U. S. A.

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Cover Letter in Chinese

尊敬的先生/女士：

　　您好！

　　我是美国泛美大学商学院的博士生，现在正在做一项有关商店和顾客之间长期关系的研究，这项研究是为我在美国泛美大学的博士学位论文而做的。研究的目的是调查商店售货员的行为举止和态度，对建立商店和顾客之间长期关系的影响。

　　假如你有采购经历并愿意参加这项研究，我将非常高兴地邀请您参加调查并非常感谢您的参与。信后所附的调查表将只花您二十到三十分钟的时间，答案没有正确与错，您的看法，就是正确答案。如果可能，敬请您在四周（4）内回答完这些问题。

　　您的答案将是匿名或不记名的。纳入表格后，所有这些答案将自动被删除。参加这项调查将完全是自愿的。我无限感激您的参与和帮助。

　　如果您想对这项研究有更多地了解，您可以亲自和我联系，我的联系地址是：美国泛美大学，商学院，楚云；电子邮件地址是：ychu@panam.edu。电话号码是：001-956-381-2590；传真机号码是：001-956-381-2867。

　　您的参与和帮助将是非常珍贵的。多谢您的参与和帮助！

此致

敬礼！

楚云 （博士生）
美国泛美大学商学院
美国，德克萨斯洲

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Appendix C
Questionnaire in English

Survey of Customer Perceptions of Services in Stores

Instructions: This questionnaire tries to gather the opinions of customers about their purchasing in stores. Please answer all the questions. Your response on the Survey will be anonymous. After tabulation, all individual responses will be electronically discarded. Taking part in this research is completely voluntary. Your help and participation are greatly appreciated.

Gender (check one)	1. _____ Male 2. _____ Female
Age	_____Years old
Marital Status (check one)	1. _____ Single 2. _____ Married 3. _____ Separated 4. _____ Divorced 5. _____ Widowed 6. _____ Living together 7. _____ Other, please specify:_____
Educational Level (check one)	1. _____ Not being in school 2. _____ High school or less 3. _____ 1 – 2 years college 4. _____ 3 years college 5. _____ 4 years college 6. _____ M.A. 7. _____ Ph. D. or equivalent 8. _____ Other, please specify:_____
Occupation (check one)	1. _____ Unemployed 2. _____ Worker 3. _____ Teacher 4. _____ Businessperson 5. _____ Staff 6. _____ Housewife 7. _____ Other, please specify:_____

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Please indicate by checking only one of the answers that best fits your opinion or perception for each statement below.

1. Even though stores are available in a large number of options, I always use the same one

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

2. If I like a store, I rarely purchase somewhere else just to try something different

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

3. Once I get used to a store, I hate to purchase in the other store

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

4. I am very loyal to the store I am using now

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

5. I consider the store I am using to be the ideal store

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

6. I am proud to be a customer of the store I am using

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

7. I feel a sense of belonging to the store I am using

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

8. I care about the long-term success of the store I am using

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

9. I feel proud to know that the store I am using is doing better than the competition

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

10. I feel identified with the store I am using

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

11. The store I am using can be counted on to produce a good service

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

12. I can always trust the service of the store I am using to be good

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

13. The store I am using is a reliable one

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

14. The quality of the service of the store I am using is consistently high

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

15. I am always sure that the outcome of the service represents a valuable one

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

16. The employees of the store I am using would never try to gain an advantage by deceiving customers.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

17. I have complete faith in the integrity of employees in the store I am using.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

18. I would like to buy in a store whose employees are helpful.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

19. I like to shop in a store whose employees help customers to find what they are looking for.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

20. I favor shopping in stores where employees are kind.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

21. I prefer stores whose employees are interested in the happiness or feelings of their customers.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

22. I am delighted to shop in the store whose employees often show me a smile face.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

23. I may consult with the store employees if I see they are polite with the customers.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

24. I feel happy to shop in a store whose employees are glad to help me when I ask.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

25. I prefer to purchase in a store whose employees use friendly manners.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

26. The employees in the store I am using did put much effort in helping their customers.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

27. I am happy to shop in a store whose employees have sense of responsibility.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

28. I am inclined to consult store employees who are responsible.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

29. Responsible store employees might attract more customers to purchase in their store.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

30. I prefer to shop in a store, whose employees give me the right information on the products they sell.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

31. I like the store whose employees would tell me that the product is defective when it is.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

32. It is wonderful to shop in a store whose employees provide opinion on its products.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

33. The employees in the store I am using are among the most honest people I know.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

34. The employees in the store I am using would not use me if it benefited them.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

35. I usually like to shop in a store whose employees show to have positive emotions.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

36. I am delighted to purchase in a store whose employees clearly know what they are doing.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

37. I am delighted to purchase in a store whose employees have no doubt about their store.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

38. It is nice to shop in a store whose employees love their stores and jobs.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

39. I customarily maintain a peaceful frame of mind.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

40. Usually when I talk with people, I take great care not to offend them.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

41. I strongly support the principle that "if a family lives in harmony all things will prosper."

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

42. It is a virtue to tolerate everything.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

43. A store employee with angry hostility would easily drive me away from shopping in that store.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

44. I might be discouraged to shop at a store whose employees are filled with anger.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

45. It is a bad idea for a store employee to show customers his/her feelings of displeasure.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

46. I do not like to shop in a store whose employees are hostile to customers.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

47. When dealing with institutions, things can work out more smoothly through the connections of friends working inside.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

48. I find it very hard to say "no" when others make requests or give me assignments.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

49. Returning money is easier than returning favors, so the best thing to do is not become indebted to people's favors.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

50. In society one should be considerate to others and avoid causing harm to others.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

51. I pay a lot of attention to how others see me.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

52. I am usually very particular about the way I dress because I do not want others to look down on me.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

53. I feel a loss of face when others turn down my favor.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

54. Sometimes I will insist on giving a friend a decent gift even if it means borrowing money to buy it.

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

55. The store I am using is one of the best stores I have ever shopped

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

56. The store I am using is exactly what I need

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

57. The store I am using has developed out as well as I thought it would

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

58. The store I am using has fulfilled adequately my expectations

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

59. Employees from the store I am using give me personal attention

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

60. Employees from the store I am using know what they are doing

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

61. Employees from the store I am using are never too busy to respond to customer requests promptly

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

62. Employees from the store I am using are polite

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

63. Compared to the other stores, the store I am using provides the best service

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

64. Compared to the other stores, the store I am using has the best reputation

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

65. Compared to the other stores, the store I am using provides customers with the best satisfaction overall

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

66. I am satisfied with my decision to choose the store I am using over all other stores

Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree

Again, thank you VERY much for your time and effort in completing this questionnaire. Please return the questionnaire.

Appendix D
Questionnaire in Chinese

顾客对商店服务看法调查表

题示：这个调查表力图收集消费者对其在商店消费的意见和看法。请完成此调查表中所有的部分。您的答案将是匿名或不记名的。纳入表格后，所有这些答案将自动被删除。参加这项调查将完全是自愿的。我无限感激您的参与和帮助。

性别 (请指出一个)	1. _____ 男 2. _____ 女
年龄	_____ 岁
婚姻状况 (请指出一个)	1. _____ 单身 2. _____ 已婚 3. _____ 分居 4. _____ 离婚 5. _____ 寡居 6. _____ 同居 7. _____ 其他，请指出_____。
受教育程度 (请指出一个)	1. _____ 没有上过学 2. _____ 高中以下 3. _____ 1-2年专科 4. _____ 3年大专 5. _____ 4年本科 6. _____ 硕士生 7. _____ 博士生或相当水平 8. _____ 其他，请指出_____。
职业 (请指出一个)	1. _____ 无业 2. _____ 工人 3. _____ 教师 4. _____ 商人 5. _____ 职员 6. _____ 家庭妇女 7. _____ 其他，请指出_____。

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请在下列答案中，用对号（√）指出<u>一个</u>最能代表您对下列陈述的看法的答案。答案没有正确与错，您的看法，就是正确答案。

1. 尽管有许多商店可供选择，我总是去同一个商店采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

2. 如果我喜欢一个商店，我就很少为尝试一些不同之处，而在其它地方采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

3. 一旦我习惯于一个商店，我不愿意到其它商店采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

4. 我是我现在常去的商店的忠诚消费者。

绝对同意	同意	不能肯定	不同意	绝对不同意

5. 我认为我常去的商店是我理想中的商店。

绝对同意	同意	不能肯定	不同意	绝对不同意

6. 我为自己是这家商店的常客而骄傲。

绝对同意	同意	不能肯定	不同意	绝对不同意

7. 我感觉我属于我常去的商店。

绝对同意	同意	不能肯定	不同意	绝对不同意

8. 我很关心我常去的商店是否能长期兴旺。

绝对同意	同意	不能肯定	不同意	绝对不同意

9. 我为我常去的商店比其竞争者经营得好而感到骄傲。

绝对同意	同意	不能肯定	不同意	绝对不同意

10. 我感到我常去的商店就象是我的商店一样。

绝对同意	同意	不能肯定	不同意	绝对不同意

11. 我常去的商店算得上是提供优质服务的商店。

绝对同意	同意	不能肯定	不同意	绝对不同意

12. 我可以信任我常去的商店的服务。

绝对同意	同意	不能肯定	不同意	绝对不同意

13. 我常去的商店是个可信赖的商店。

绝对同意	同意	不能肯定	不同意	绝对不同意

14. 我常去的商店的服务质量一直都很高。

绝对同意	同意	不能肯定	不同意	绝对不同意

15. 我总是确信服务结果是非常重要的。

绝对同意	同意	不能肯定	不同意	绝对不同意

16. 我常去的商店的售货员决不愿意以欺骗顾客来获取利益。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

17. 我对我常去的商店的售货员的正直非常有信心。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

18. 我喜欢到售货员能帮助我的商店采购。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

19. 我喜欢到售货员能帮助顾客寻找顾客想要的东西的商店采购。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

20. 我喜欢到售货员和蔼的商店采购。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

21. 我喜欢售货员对其顾客的快乐和情绪感兴趣的商店。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

22. 我很高兴能在充满售货员笑脸的商店采购。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

23. 如果商店的售货员能礼貌待客，我就会向他们请教。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

24. 我很高兴在售货员有求必应的商店里采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

25. 我愿意在售货员很友好的商店采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

26. 我常去的商店的售货员确实很努力帮助顾客。

绝对同意	同意	不能肯定	不同意	绝对不同意

27. 我喜欢到售货员有责任感的商店采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

28. 我倾向于向有责任感的售货员咨询。

绝对同意	同意	不能肯定	不同意	绝对不同意

29. 有责任感的售货员可能会吸引更多的顾客到他们的商店采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

30. 我愿意到售货员能给我提供他们所卖的产品的正确信息的商店采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

31. 我喜欢的商店是，当产品有缺陷的时候，其售货员愿意告诉我。

绝对同意	同意	不能肯定	不同意	绝对不同意

32. 如果商店的售货员能给我提供他们对其商店的产品的看法，在那里采购就太好了。

绝对同意	同意	不能肯定	不同意	绝对不同意

33. 我常去的商店的售货员是我知道的最诚实的人们中的人。

绝对同意	同意	不能肯定	不同意	绝对不同意

34. 我常去的商店的售货员不愿意利用我而谋利。

绝对同意	同意	不能肯定	不同意	绝对不同意

35. 我通常喜欢到售货员的情绪较为积极的商店采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

36. 我很高兴到售货员很清楚他们在干什么的商店采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

37. 我很高兴到售货员对其商店毫无疑问的商店采购。

绝对同意	同意	不能肯定	不同意	绝对不同意

38. 能到售货员热爱其商店和本职工作的商店采购将是很好的。

绝对同意	同意	不能肯定	不同意	绝对不同意

39. 我通常喜欢保持平静的心情。

绝对同意	同意	不能肯定	不同意	绝对不同意

40. 通常当我与人们交谈的时候，我会尽最大能力不去冒犯他们。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

41. 我坚信这个原则"家和万事兴。"

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

42. 容忍一切是一种美德。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

43. 有愤怒敌意的售货员很容易使我不在他们的商店采购。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

44. 我不会在售货员充满愤怒的商店采购。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

45. 商店售货员把自己不愉快的情绪表现出来是非常不妥的。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

46. 我不喜欢在售货员对消费者有敌对情绪的商店采购。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

47. 当应付公共机构时，许多事情都能通过朋友内部的关系解决。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

48. 我发现当其他人请求我或求我干事情时，我很难说"不"。

绝对同意	同意	不能肯定	不同意	绝对不同意

49. 还钱容易还情难，因此，最好不要欠人情。

绝对同意	同意	不能肯定	不同意	绝对不同意

50. 在社会上，一个人应该为他人着想而避免伤害别人。

绝对同意	同意	不能肯定	不同意	绝对不同意

51. 我非常注意别人如何看我。

绝对同意	同意	不能肯定	不同意	绝对不同意

52. 我通常特别注意我的衣着，因为我不想让其他人看不起我。

绝对同意	同意	不能肯定	不同意	绝对不同意

53. 当其他人拒绝我的好意时，我感到丢面子。

绝对同意	同意	不能肯定	不同意	绝对不同意

54. 即使是要借钱买，有时我也会坚持给朋友一个象样的礼物。

绝对同意	同意	不能肯定	不同意	绝对不同意

55. 我常去的商店是我遇到的最好的商店之一。

绝对同意	同意	不能肯定	不同意	绝对不同意

56. 我常去的商店正是我所需要的商店。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

57. 我常去的商店已经发展得象我所期望的一样。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

58. 我常去的商店充分满足了我的期望值。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

59. 我常去的商店的售货员给我以一对一的注意。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

60. 我常去的商店的售货员知道他们在干些什么。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

61. 我常去的商店的售货员从未忙得不立即回答消费者的要求。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

62. 我常去的商店的售货员彬彬有礼。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

63. 和其它商店相比，我常去的商店提供了最优质的服务。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

64. 和其它商店相比，我常去的商店声誉最好。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

65. 和其它商店相比，总的来说我常去的商店最令消费者满意。

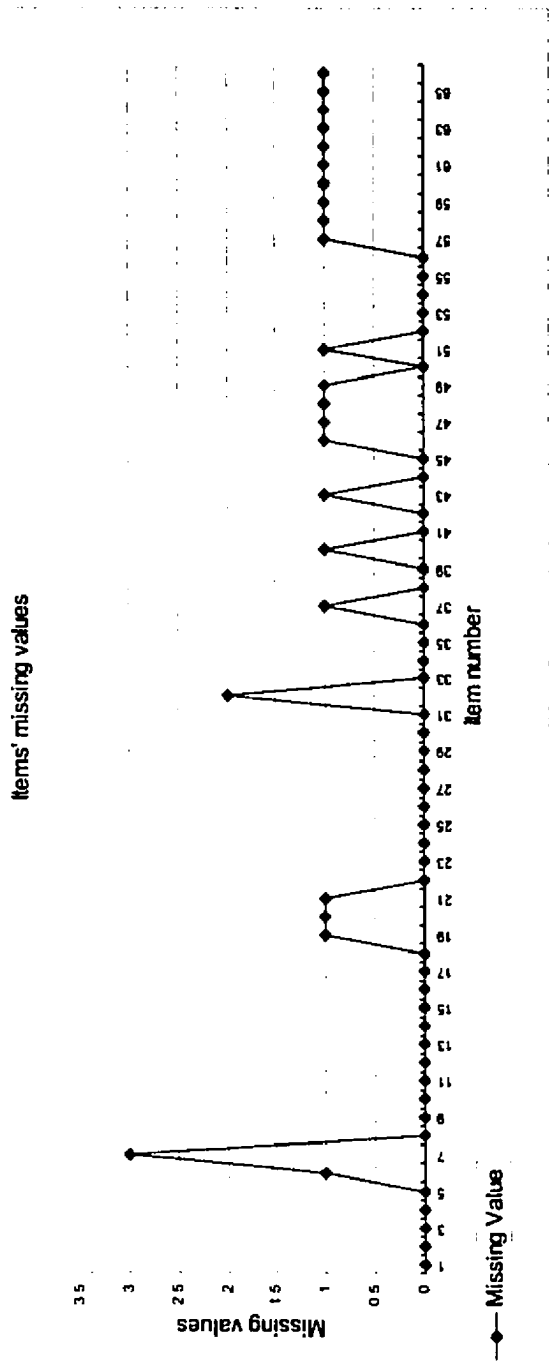| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

66. 我对我选择我常去的商店，而不选择其它商店的决定高兴。

| 绝对同意 | 同意 | 不能肯定 | 不同意 | 绝对不同意 |

十分感谢您帮忙完成了这个调查表，请把调查表交给发表人。谢谢！

Appendix E. Graph of Missing Values

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General definitions of the core constructs ҃re presented as follows:

A customer is any person who had, has or can have some interaction with a salesperson or salespersons. The "customer" can include final consumers, any member of an organizational buying role partner of a salesperson or salespeople in general (Swan, Bowers et al. 1999).

Values are enduring beliefs about desirable outcomes that transcend specific situations and shape one's behavior (Arnould, Price et al. 2004)p. 73, which is widely held beliefs about what is acceptable or desirable (Hawkins, Best et al. 2004) p. 430.

Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations (Kotler 2000) p. 36.

Trust refers to one party's belief in the reliability and integrity of an exchange partner (Arnould, Price et al. 2004) p. 549

Commitment refers to an enduring desire to maintain a valued relationship (Arnould, Price et al. 2004) p. 549.

Customer loyalty is a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior (Oliver 1997) p. 392. Customer loyalty is a customer's commitment to a brand or a store or a supplier, based on a strong favorable attitude and manifested in consistent repatronage (Sheth, Mittal et al. 1999) p. 701.

- Store loyalty is a customer's predominant patronage of a store, based on a favorable attitude (Sheth, Mittal et al. 1999) p. 721.

A consumer loyalty to a brand (store or service), or a committed customer, has an emotional attachment to the brand or firm [store] (Hawkins, Best et al. 2004) p. 646.

VITA

CHU YUN (楚云)

I. PERSONAL DATA

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II. EDUCATION BACKGROUND

Doctorate of Philosophy in Business Administration, University of Texas Pan-American. Edinburg, Texas, U.S.A. August 2003.

Master of Arts, Speech Communication, University of Texas Pan-American. Edinburg, Texas, U.S.A. May 1999.

Bachelor of Arts, British and American Literature, Guangzhou Foreign Language University, Guangzhou, Guangdong Province, the People's Republic of China. July 1983.

III. RELEVANT WORK EXPERIENCE

Instructor and Research Assistant, University of Texas Pan-American, Department of Management, Marketing & International Business. U.S.A. (July 1999-August 2003).

Graduate Teaching Assistant, University of Texas Pan-American, Department of Communication. U.S.A. (January 1998-May 1999).

Instructor, Zhengzhou Textile Institute, P. R. CHINA (September 1983-December 1995).

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