Enhancing Swedish Large MNEs’ Strategies in Chinese Market

-By Analyzing the Perspectives of Consumers in Sweden and China

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Abstract

Title: Enhancing Swedish Large MNEs’ Strategies in Chinese Market
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Keywords: Consumer behavior, Multinational enterprise, Marketing strategy, Swedish and Chinese market

Background: With the trend of globalization, multinational enterprises noticed the potential market in China. Based on previous research, researchers indicated consumer behaviors have a sort of relationship and influence on MNEs’ strategies.

Purpose: Investigate the distinctions between Swedish and Chinese consumer behaviors, due to the distinction, explore the way to enhance MNEs’ strategies in the Chinese market.

Research Questions: 
Q1: What are the differences between Chinese consumers and Swedish consumers evaluating same enterprises?
Q2: How Swedish large MNEs develop their strategies for adapting the distinctions of Chinese consumers?

Theoretical Framework: The theoretical framework includes theories regarding what factors of consumer behaviors are considered as influencing on enterprises’ strategies and the theories of general enterprise strategies.

Methodology: This dissertation is a quantitative study accompany with case study.

Empirical Framework: The empirical framework presents case descriptions and statistics.

Analysis: The five hypotheses are analyzed and critically examined.

Conclusion: Since consumers from different countries have different consumer behaviors, enterprises need to alter their strategies by adapting the distinctions of consumers.
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1. Introduction

The chapter of introduction begins with presenting the background of the subject and previous research results, then the authors discussing problems and the purpose of this study. Next, the research questions will be presented. The limitations will be presented at the end of this chapter as well.

1.1 Background

“The largest firms have the mindset of achieving globalization as the route to maximizing performance and standardized marketing programs and processes to enhance efficiency and competitiveness… adapting certain operational activities to local needs in order to achieve effectiveness (Doole & Lowe, 2011, p.176).”

Since the emergence of economic globalization, internationalization processes has become the trend of many firms to achieve sustainable growth in the world (Zeng et al. 2012). Many companies noticed that domestic market will not satisfy their willingness of extension (Doole & Lowe, 2011). In this case, with the driving force of profits and extending motivation, the companies decided to explore aboard markets, outside their countries, such as Swedish companies.

In this research, multinational large enterprises (MNEs) are principally discussed, since multinational enterprises are main actors in globalization and large enterprises’ performances are more significant than small and medium size companies (Caves, 1996; Doole & Lowe, 2011). In addition, the investigation on MNEs will enhance their impact and contribution on world economy (Żurawicki, 1979).

During 2013, Sweden has occupied 1.4% of outward Foreign direct investment (FDI) all over the world, which ranked in nineteenth century in the world. Moreover, the total amount of exports from Sweden is $178 billion by the end of 2014. Both of the scenes of outward FDI and Swedish exports indicate that Swedish enterprises hold a high ratio in international markets. Among wide international markets, Chinese market is chosen as the focus of this research. Since China owns huge population with 1.37 billion and high consumption capability, Chinese market possesses several unique features as well.

While there are financial benefits in a specific country, MNEs will only maintain their operations in the country. After the MNE obtain another lower labor costed country as a location for its operations, the MNE will move on (Doole & Lowe, 2011). As Fang, Gunterberg & Larsson (2010) discussed, China is one of the world’s cheapest production country, due to the combination of low salaries, minimal regulation and the cheap currency, it is unbeatable, which causes China as an attractive FDI destination. Furthermore, Eichengreen and Tong (2007) discussed one of the reasons that why China became a major FDI destination is the labor costs and raw materials are lower than average level. Plenty of foreign companies found the opportunities and
wanted to give a try, since FDI into the Chinese market is a trend that even influence the whole world.

Without exception, most of Swedish large enterprises chose to enter into Chinese markets. Most of Swedish companies are labeled as “Swedish made” or “Swedish brand”, accompanying with “Swedish Brand”, Chinese consumers are convinced by Swedish products more and more (Wallström, Karlsson, & Salehi-Sangari, 2008). Hultman et al. (2008) described brands as brands normally offer the primary points of differentiation between competitors’ products. Furthermore, creating brand identification and awareness as a manufacturer brand will add value to their products and services, which plays a unique relevant and distinctive personality between consumers and enterprises. Such as Volvo, a well-known Swedish brand, the slogan is “Volvo for Life” which asserts “Safety”. Therefore, most of Swedish brands and enterprises provide the impression of cost-effective performance to consumers, and due to this, it makes Swedish products more attractive (Wallström, Karlsson & Salehi-Sangari, 2008).

Moreover, among to practitioners, the new ways of understanding marketplace behavior were recognized by Levy (Tadajewski & Hewer, 2012), who had potential asserted the importance of product symbolling and brand imaging for the process of making decisions (Boyd & Levy, 1963; Levy, 1959). Swedish enterprises have significant and advantageous factors, however, Chinese market has specific features, especially consumers’ perspectives. As mentioned, Chinese market has numerous demands, nevertheless, Chinese consumers own different consumer behaviors while comparing with Swedish consumers. According to Doole and Lowe (2011), the environments are different, social and cultural aspects are different, so that the consumer’s needs and requirements are different. Meanwhile, Doole & Lowe (2011) also discussed that consumer’ social and cultural factors impact on international enterprises’ marketing strategies. Social and cultural factors involve education, social organization, technology and material culture, law and politics, aesthetics, values and attitudes, religion, and language.

1.2 Problem

Consumer behavior of contemporary study, is why and how to buy or not to buy a product by individuals (Holtzclaw, 2013). This domain is combination of psychology, sociology, anthropology and economics and tries to know purchasing decision process (individual and group) better. Consumer behavior is a new issue in marketing. Consumer behavior is a controversy subject and challenging that includes individuals and what they buy, why and how to purchase them, marketing and marketing mix of market.

In today's competitive world, companies to achieve a competitive advantage should have high attention to consumers and their needs (better than competitors). However, the rules for marketing and product development have changed forever. Where and
how consumers receive marketing messages is beyond control. Moreover, Doole and Lowe (2011) discussed most of international firms faced to several problems, because of they considered foreign markets are similar with domestic market, and they operated overseas same as they did in domestic market. However, the behaviors of different customers from different countries are influenced by diverse societies which are structured by cultural elements. Culture not only decides the standard of the society, but also decides the rules of operations in the markets.

Consumer is in charge, with ever-growing choices and a shrinking decision window. Therefore, it is vital for companies to make out what drives consumer behavior. In addition, marketers and marketing researchers have to understand the consumers and enable strategies that will make it possible for the marketing practitioner not only to satisfy the consumers but equally to win consumers patronage (Kotler, 2000). Today with most of the firms going global, there is an increasing importance being given to consumer behavior across borders to have more information about cross cultural consumer needs and preferences and consumption habits (Nair, 2008).

Even though a number of studies have been conducted on consumer attitudes, beliefs, perceptions, intentions and preferences (Wang et al., 2009), the models of perception which are available in literature refer to a perception of branded products rather than related to a particular geographical place, which focus on consumer’s own characteristics (values and beliefs, opinions, lifestyle and so on) (Solomon and Stuart, 2005; Silvera et al., 2008), product characteristics (physical characteristics, brand, price, etc.) (Aaker, 1991; Kukar-Kinney et al., 2007; Kotler et al., 2007) and place where it is sold (in terms of layout, product display, etc.) (Thang and Tan, 2003; Swanson and Horridge, 2006). Thus, there is a gap between consumer behavior with their perception of products from a certain region.

In the present literature, a lot of questions that was asked was what are the factors of consumer behavior that have impact on their purchasing decision of certain products or certain brands. It will be thus the objective of this study is to find the factors affecting Chinese consumers’ purchasing behavior on Swedish products. This study is located within the area of consumer behavior and these are investigated through quantitative methods among Chinese customers, which aims to get to know their ideas of Swedish companies that already successfully operated in Chinese market. What’s more, this study helps the Swedish companies to look at Chinese consumers in a new way and as a result maximize their profits and reduce support costs.

1.3 Purpose

The purpose of this research is to investigate the differences between Swedish consumers and Chinese consumers of consumer behaviors on Swedish goods. Based on consumer perspectives, the different culture and personal factors between Swedish consumers and Chinese consumers are expected to be explored. Through comparisons of consumers, this research is expected to find a way for enhancing Swedish
enterprises’ strategies in China market, and to find the rule of Chinese consumers’ purchasing behavior, which could be taken as a reference for other enterprises.

1.4 Research questions

Accordingly, the proposed research questions are as follows:

Q1: What are the differences between Chinese consumers and Swedish consumers evaluating same enterprises?

Q2: How Swedish large MNEs develop their strategies for adapting the distinctions of Chinese consumers?

1.5 Delimitation

Resulting of Swedish MNEs’ research within different industries, this thesis is limited to investigating the distinctions of consumer behaviors between Swedish and Chinese consumers in order to enhance the marketing strategies of Swedish MNEs in Chinese markets. Since the purpose of this thesis is exploring the interaction between consumers and MNEs, and for obtaining impeccable consequence, different industrial Swedish MNEs are chose.

As a result, the researchers do not focus on the Swedish MNEs within the same industry, nevertheless within different industries.
2. Theories

The purpose and research questions of this research require relevant theories about consumer perspectives and company strategies. Chapter 2 presents the different factors which are influencing on consumer behaviors, and the factors which are influencing on company strategies. Furthermore, influential factors such as value and attitude, aesthetics religion are highlighted. In the final, a research model is illustrated which is built based on theoretical framework.

2.1 Key concepts of consumer behavior

2.1.1 Definition of consumer

Traditionally the word “customer” was used to define people whom the organization dealt with externally. The term customer refers to the purchaser of a product or service. They may or may not be the ultimate consumer. Whereas the term consumer refers to the end user of a product or service. They may or may not be the customer (Nair, 2008, p. 4). It’s necessary to understand the term of “customer” and “consumer”.

Consumers are individuals or group who purchase goods and services to satisfy their personal consumption needs (Kotler, 2000, p. 229). It is very important that the marketers and marketing researchers have to understand the consumers and enable design strategies that will make it possible for the marketing practitioner not only to satisfy the consumers but equally to win consumers patronage. Prior to this, there are pertinent questions the marketing practitioners predicate their strategic actions, which include:

Who buys? How do they buy? When do they buy? Why do they buy, and how do they evaluate the product service after purchase?

The company that well understands how consumers will respond to their different marketing strategies has superiority over its competitors (Kotler, 2000, p. 209).

2.1.2 Definition of consumer behaviors

Consumer behavior is defined as “The study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires” (Solomon, et al, 2010, p. 6). Another definition of consumer behavior is “The dynamic interaction of affect and cognition, behavior, and environmental events by which human beings conduct the exchange aspects of their lives” (Bennett, 1989). What’s more, the simple definition of consumer behavior is “the study of how individuals make their decisions on how to spend their available resources (time, money, effort) on various consumption-related items” (Nair, 2008).
Study of consumer behavior has shifted from why people purchase to consumption behavior (Blythe, 2008). One of the important aspects of consumer behavior is market segmentation, because consumers within the segment are more or less similar in terms of products needs and desire (Lantos, 2011). Market segmentation consists of different categories for instance demographics (age, gender, social class), geographic (region, country differences), psychographic (personality, life style) and behavioral (Brand loyalty, benefit desire) (Solomon, et al., 2010).

2.1.3 Consumers’ purchasing decision making behavior

The purchasing decision of consumer is primarily motivated by the acquisition of certain benefits and solutions. These can be grouped in three common classes: functional benefits (solutions to a consumer's problem), symbolic or image benefits (it communicates certain things about the consumer), and experiential benefits (they are important because of the experience they offer) (Martin, Schouten, 2011). The decision making process identifies the number of people who are involved in this process and ascribes a role of them - like the user, decider, influencer, and buyer (Nair, 2008).

The following diagram will help in throwing light on the consumer decision making behavior.

<table>
<thead>
<tr>
<th>Decision making (Information search, consider brand alternatives)</th>
<th>High involvement purchase decision</th>
<th>Low involvement purchase decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complex decision making (Automobiles, autos)</td>
<td>Variety seeking (cereals)</td>
<td></td>
</tr>
</tbody>
</table>

Figure 2.1 Involvement in purchase decision


Consumers' involvement with products has been a much-researched topic. Zaichkowsky (1985) defines involvement as 'a person's perceived relevance of the object based on inherent needs, values, and interests'. Involvement is an internal variable affected by consumers' motives and internal drives (Houston & Rothschild, 1977; Bloch & Richins, 1983; Antil, 1984). Product involvement is an internal state and indicates the degree of consumers' arousal and interest in the product class (Mittal & Lee, 1989). In low-involvement product decisions, there is a gradual change in the perception toward the product, governed by repeated purchase and motivated by behavioral-choice factors. Repetitive purchase and use of the product leads to positive evaluation of the product and attitude formation. In the high-involvement product decisions, a consumer actively seeks for stimuli and evaluates the various alternatives.
on both rational and emotional parameters (Ratchford, 1987; Fairhurst, Good & Gentry, 1989).

Consumers’ purchasing decision and information search

It is believed that consumers or customers make purchase decisions on the basis of getting a small amount of selectively chosen pieces of information. Thus, it’s vital to understand what and how much information is required by the consumer to help them to evaluate the goods and services offering (Nair, 2008).

There are two types of information sources: internal and external information search. Internal search involves the consumers’ memory about the products, and external search includes word of mouth, stores visit, trial and online social networking and social media (Kardes et al., 2011). Nowadays, online environment effectively involves in purchase decisions process and Internet has become an important tool for information search. The different types of decisions influence on the level and direction of the search (Hawkins & Mothersbaugh, 2010).

Consumers’ purchasing decision and evaluation of alternative

After seeking the information of products, consumers begin to compare and evaluate several alternatives in terms of products features and their desire and needs. Some consumers’ choices are based on simple decision such as “buy the cheapest products”. However, some decisions are complicated and made up of various processes and stages. In this way, consumers will consider about which product would be the best to satisfy their need (Blythe, 2008).

Consumers’ purchasing decision and product choice

Consumers would make their choice among the products which they have found and evaluated. The certain products are chosen by consumers because the product appeals to them. Internet is an effective tool in this stage because the choice can be influenced by the gathered information from different sources (Hawkins & Mothersbaugh, 2010).

Consumers’ purchasing decision and post-purchase evaluation

The quality of the decision becomes important in this stage of process and how well the choice worked out. Consumers start to compare their perceptions of the product with their expectations (Kardes, et al., 2011).

2.2 Factors affecting consumer behavior

According to the study by Shwu–Ing (2003) a person's buying choices are influenced by four major psychological factors: motivation, perception, learning, beliefs/attitude. Some researchers also categorized influencing factors into internal and external factors (Kaufman, 2002; Shwu–Ing, 2003). According to Yoo et al. (2000); Pappu and Quester (2006) price, store image, distribution insanity, advertising spending, and price promotion of the marketing mix are the determining factors in consumer perception of the marketing mix. Chen (2007) argued that the marketing mix on
consumer behavior is influenced through product, price, location, and promotion. However, Schiffman and Kanuk (2000) defined perception as the process by which an individual select, organizes and interprets stimuli into a meaningful and coherent picture of the world. They also mentioned that individual consumers have perceived images of themselves; they also have perceived images of products and brands.

Individual stimuli (social, psychological, and interpersonal) and external stimuli (environmental, organizational and interpersonal) affect consumer buying behavior at different phases (Smykeen, 2000, p. 154). The various factors influencing the consumers purchase decision is given hereunder:

![Diagram showing various factors influencing consumer purchase decisions.](image)

*Figure 2.2 The various individual and environmental factors influencing purchase decisions. Source: Assaell (1987) Consumer Behavior and Marketing Action Kent publishing house.*

### 2.2.1 External cultural factors

Consumer behavior is influenced by external factors. Consumer decision process somehow influences by outside forces, but the effect itself is not bad or good. Some of these outside forces include culture, subculture, social class, family, environment marketing (Uchenna, 2015).

Consumers’ physical and social environment have huge influences on consumers’ purchase decision and can make a big difference in their desire and motives for product purchase (Blythe, 2008). In addition, social and cultural factors influence entire aspects of consumer behaviors, due to this, social and cultural factors are considered as the influencing variables on international marketing strategies and companies’ behaviors in international markets (Doole & Lowe, 2011).

Matsumoto and Van de Vijver (2010) defined culture as a specific meaning information system which is transmitting by different generations, and sharing by groups. By coordinating social behaviors, surviving groups by achieving viable
existences and transmitting positive social behaviors. In others words, culture is the
guide of human behaviors. Relating to international marketing, culture is claimed by
Doole and Lowe (2011) as summing up formed beliefs, values, and customs which
directly serve to consumer behaviors in a specific country’s market. For explanation
to this, Doole and Lowe (2011) concluded culture is built by three core components as
well, which are beliefs, values and customs. Beliefs are the verbal and mental
processes which reflect peoples’ knowledge and evaluation of services and products.
Values are always guiding customers’ consumer behaviors, which are stable and
enduring over the time, and accepted by most of members in a specific market.
Customs are the behaviors of the constant inheritance in generation after generation.

Furthermore, Hofstede’s cultural dimensions is well-known and utilized wildly, which
(Hofstede, 2010) are identified as individualism, power distance, uncertainty
avoidance, masculinity and Confucianism. In this study, only individualism will be
used and discussed, since this factor is facilitated to be measured.

**Individualism and collectivism**

Triandis (1995) defined collectivism as a social pattern that consists of individuals
who see themselves as an integral part of one or more collectives or in-groups, such as
family and co-workers. People who are more collectivist are often motivated by
norms and duties imposed by the in-group, give priority to the goals of the in-group,
and try to emphasize their connectedness with the in-group. He defines individualism
as a social pattern that consists of individuals who see themselves as autonomous and
independent. People who are more individualist are motivated by their own
preferences, needs, and rights, give priority to their personal goals, and emphasize a
rational analysis of their relationships with others (Triandis, 1994).

Individualism-collectivism has been investigated extensively in cross-cultural
research (Grimm *et al.*, 1999), with some studies having successfully related
self-described personality traits and individualism-collectivism. For example, samples
in individualistic cultures have averaged higher on needs for aggression, change,
exhibition, independence, and uniqueness, whereas samples of collectivistic cultures
have averaged higher on affiliative tendencies, interdependence, sensitivity to
rejection, and needs for abasement, deference, and order (Grimm *et al.*, 1999).

As Kim, Triandis, Kagiyucibasi, Choi, and Yoon (1994) explained Western
individualist societies are based on the tenant of liberalism. In these societies
individuals are encouraged to be rational and are given individual rights to define
their own goals and choose freely. Conversely, East Asian collectivist societies are
based on Confucianism, which promotes common goals and social harmony over
individual interests. In this study, Swedish are regarded as individualist while Chinese
are collectivist.

### 2.2.2 Internal factors
Perception

Monroe’s (1990) theory of perception points out that consumers’ purchasing option is determined by the relationship between the product benefits and the price paid for the product. In other words, consumers’ perceived value of a product is determined by the product benefits and the price paid for the product. Many studies have suggested that perceived value is a trade-off of perceived benefits and perceived value when purchase intention is formed by consumers. In other words, consumers do not necessarily pursue the highest quality as they recognized when purchasing products. Instead, they would like to obtain the highest perceived value with price they were willing to pay (Zeithaml 1988; Dodds et al. 1991; Grewal et al. 1998).

In the available literature, the models of perception refer to a perception of branded products rather than linked to a particular geographical place, which focus on consumer’s own characteristics (values, beliefs, opinions and lifestyle) (Solomon and Stuart, 2005; Silvera et al., 2008), product characteristics (physical characteristics, brand, price, etc.) (Aaker, 1991; Kukar-Kinney et al., 2007; Kotler et al., 2007) and place where it is sold (in terms of layout, product display, etc.) (Thang and Tan, 2003; Swanson and Horridge, 2006).

Different factors are involved in the perception of local products. These products can be considered as the commercial presentations of heritage and culture, history, tradition and authenticity of a place, which is the consequence of consumers’ experience with the territory (Kolar and Zabkar, 2010; Morris and Kirwan, 2010). In particular, several researchers (Dimara and Skuras, 2003; van Ittersum et al., 2003; Mattiacci and Vignali, 2004; Skuras and Dimara, 2004; Chambers et al., 2007; Dekhili and d'Hauteville, 2009; Guerrero et al., 2009; Roth and Diamantopoulos, 2009) recognize that the value the consumers give to products is related to certain places or regions.

In fact, a lot of studies illustrate that the knowledge of the country of origin of the local product has a direct influence on the perception of the same product (Schaefer, 1997; Yu and Littrell, 2003; Insch and McBride, 2004; Aiello et al., 2008; Pieniak et al., 2009). Thus, this could be regarded as one of the major factors affecting consumer’s perception of the product (Phau and Leng, 2008).

Demographic Factor

Kotler et al. (2007), for example, regard marketing as “managing markets to bring about exchanges for the purpose of satisfying human needs and wants...[defining]...marketing as a process by which individuals and groups obtain what they need and want by creating and exchanging products and value with others. (2007, p. 15).” They acknowledge the importance of demographics and demography (devoting ten pages, pp. 169–180, of tabulated data to demographic trends).

Age
Age is not simply a chronological construct; rather, individuals become older biologically, psychologically, and socially (Moschis et al., 1997). Biological age refers to the physical changes associated with chronological ageing (Dehlin et al., 2000), whereas psychological age and social age depend on perceptions of a person’s age – how old the person “feels” and “looks”, what the person “does”, and what he or she finds “interesting” (Alalaakkola, 1996; Schiffman and Sherman, 1991). Biological age is continuous with chronology, but psychological and social age can vary during an individual’s life and can even “go backwards” - for example, when an individual choice of a particular restaurant can be affected by their psychological age. On the other hand, social age is significantly influenced by society’s views on how each age cohort (or “generation”) lives, behaves, and consumes (Tre’guer, 2002; Alalaakkola, 1996).

Moreover, social age is affected by so-called “period effects”, whereby events that occur in a certain chronological sequence affect person in a similar way, irrespective of an individual’s age. Under the influence of such “period effects”, the behavior of different age groups can be temporarily similar (Alalaakkola, 1996). According to Ozimek and Zakowska-Biemans (2011) consumer decision-making and information processing are influenced by individual differences and psychological processes.

Wagar and Lindqvist (2010) also explained that age is a relevant factor in service design. They recommended that service providers therefore need to take age as an important factor in their service design. Age is a significant marketing phenomenon because it affects the consumption patterns of individuals and is associated with several important social and psychographic factors (such as family size, income, and self-image) (Alalaakkola, 1996).

Income

According to the economic perspective, higher-income consumers value their time more because of its opportunity cost (Goldman and Johansson, 1978; Ratchford et al., 2003; Stigler, 1961). Hence, they are more likely to have a “time conscious” shopping orientation and a stronger belief that online shopping saves time. On the other hand, lower-income consumers are more likely to have a “price conscious” shopping orientation (Punj, 2011).

Richardson et al. (1996) explored the role of family size, age, income and education on socio-demographics. They observed that higher-income consumers demonstrate lower private label brand proneness. This is also observed in earlier research wherein Frank and Boyd (1965) noted that lower-income consumers have a greater incentive to purchase store brands because of the financial pressures. In this regard, it is expected that lower-income consumers will show higher levels of general and price deal proneness and make more product comparisons than higher-income consumers. Lee (2007) observed that high-income consumers generally tend to be convenience oriented and therefore will tend to go through the purchasing stages more quickly. It
is expected such high-income consumers to show higher preference towards end-of-aisle displays and be more impulsive.

Consumption (consumer spending) and income are interrelated. When income increase, consumption will increase as well (positive relationship) by the value of Marginal Propensity to Consume (MPC). However, consumers divide income between consumption and savings, and even if the household income goes to zero, consumption doesn’t. Consumers draw on future income or savings to support the household when there is no income. This is autonomous consumption, not dependent on the income level. If consumers have extra dollars, they spend part of that income as well (Linda Richard, The Relationship Between Income & Expenditure). Thus, in this study, consumer spending is investigated directly rather than income to ensure the accuracy and convenience.

2.3 The importance of consumer behavior

Understanding human behavior in general and consumer behavior in particular is of great interest not only to academic researchers but also to regulatory forums (Smits, 2007). Marketing trends, products and product trends in the philosophy of turning sales and marketing trends formulate the study of consumer behavior. It has a great benefit to have an appropriate understanding of consumers in today's society. These advantages include providing a basis for understanding consumer behavior, helping managers to make decisions, to enable legislators and regulators to enact laws relating to the purchase and sale of goods, services. Eventually, consumers could make better purchasing decisions.

Consumer behavior plays an important role in the design of promotional operation. The audience can choose proper media and message with the science of the behavior. In addition, study consumer behavior can help to understand concept of social sciences that affect human behavior. Therefore, it is necessary and vital to differentiate the areas such as design, marketing mix, market segmentation and product positioning when analyzing consumer behavior (Uchenna, 2015).

2.4 Multinational large enterprise in internationalization

2.4.1 Multinational enterprise

In the earlier years, the research result of multinational enterprises (MNEs) showed out that the definition of MNE is based on the rules of relation, which meant that while enterprise meet the requirement of its head offices are located in different nations. Otherwise, it might be considered regarding to the degree of geographical diversification of its foreign activities (Żurawicki, 1979).

Caves (1996) defined multinational enterprises as multi-plant enterprises which manage and control establishments of products and equipment, at the same time, located in two or more than two countries. Caves (1996) also explained the reason
why MNEs using “enterprises” instead of “companies”, since the purpose is highlighted the top level of coordination in the class of business decisions, in addition to this, a multinational company normally is controlled by another firm as a subsidiary.

Moreover, Dunning (1981) illustrated the role of MNEs in both micro and macro levels in domestic market are usually expressed important. At the macro level, the shares of grosses national products accounted for the foreign activities of domestically owned MNEs; at the macro level, the percentage of sales, profits, assets and employment of specific companies or industries are generated by foreign productions.

By coincidence, Dunning (1981) and Caves (1996) provide similar attitudes with negligible diversities on dividing the types of MNEs into three groups, which concluded as following. The first, multi-location enterprise is defined as which produces components or turns out same line of goods from different its plants in different geographic markets. The second, international trading firm which manufactures its goods and exports productions aboard by intermediately transferring, such as foreign agents and foreign distributors. The third, national producing firms export their factor inputs, such as material and human resources (Dunning, 1981; Caves, 1996).

2.4.2 Large enterprise

It is different to manage a small company or a large company, since they are facing to individual visible form of risk and organize their human resources in different ways (Kotey & Slade, 2005; Storey, 2002). According to previous research result, the definitions of standardizing the size of enterprise in Europe which indicated that while enterprises have less than 249 employees, the enterprises are small or medium sized enterprises; while the enterprises have 250 or more than 250 employees, the enterprises are large enterprises (Storey, 2010; Saridakis, Torres & Johnstone, 2013; Lai, Saridakis & Blackburn, 2013). Since this study focuses on large enterprises, small and medium sized enterprises will not be further discussed.

2.4.3 Drive force on Large MNEs in internationalization process

Drive force of firms internationalizing have attracted numerous of practitioners and researchers (Dunning 1977, 1992; Oviatt & McDougall 2005). While markets alter international and global, many of firms are aware of the market internationalization process. Export, as one pattern of FDI, has been utilized by the firms as the most popular approach, since exporting is the first significant step which helps firms enter foreign markets with less commitment and resources (Doole & Lowe, 2011).

Supported by OECD (2009), the motivation of exporting and other entry strategies is concluded as two main reasons. When a product has meet a maturity situation or recession in the domestic market, the firm may seek foreign markets where do not have the same phenomenon as home market, in order to obtain boarder surviving
space. In the other hand, the firms may search for new markets in foreign countries who demand their production facilities to their full capabilities (Barney, 1991; Baird et al. 1994; Mockaitis et al. 2007; 2008; Bello, 2009, Jack et al, 2008).

Zeng et al (2012) indicated one of the reason that intensive knowledge renewal and exploitation concerning foreign markets have the capability to increase MNEs’ willingness for internationalization, in order to catch the opportunity of international expansion in the future.

Moreover, four motivations have been mentioned in conducted research, which are “to explore oversea markets”, “to create international brand”, “to enhance domestic reputation” and “response to government’s promotion” (Zeng et al, 2012, p. 293).

Based on OECD (2009), Doole & Lowe (2011) concluded two types of stimuli influencing on enterprises’ internationalization, which are reactive stimuli and proactive stimuli. Reactive stimuli involve negative domestic market conditions, an opportunity of reducing inventories, production capacity’s availability, favorable currency movements, increasing the amount of foreign country markets and reducing the market-related risks, unsolicited demand and requirement from foreign consumers. Proactive stimuli involve attractive profit and growth opportunity in foreign markets, the ability of easily modifying exported products, positive public policies for export promotion, foreign country regulations, the ownership of unique products and additional orders generate through economy resulting.

2.4.4 General international marketing strategy for large MNEs

There are numerous of implementation strategies that a MNE might adopt, general marketing strategies are more acceptable (Doole & Lowe, 2011).

Segmentation, targeting and positioning are the principal approach to development on marketing strategy. Distinguishing the differences between existing sectors during segmentation, using various segmentation methods. Then, the enterprise must focus the segments which trends the most attractive based on the size of term, in other word, paying attention on the growth potential which helping enterprise reaching its purchasing power. Positioning products or services by building barriers which will defend and develop own business, in order to beat the competitors (Doole and Lowe, 2011).

Competitive strategies are the way which creating competitive advantages to obtain business growth. Porter (1990) recommended that an enterprise should adopt one of the following competitive strategies. Cost leadership request an enterprise expand lower costs than international competitors. This strategy is wildly adopted by firms which are located in low-labor cost courtiers. Focus requires the enterprise which concentrates different narrow segments and builds up specialist knowledge for each segment. Differentiation is achieved by asserting particular benefits in a product or service which consumers consider are important and significant than other
competitors. Differentiation requests typical systematic increased innovation to increase consumer value continually.

*Growth strategies* were mentioned by Ansoff (1957), which summed up as four identifications on growth strategies: product penetration, product development, product diversification and market development, which are illustrate in Figure 2.2.

![Figure 2.2 Ansoff Growth Matrix](Doole & Lowe, 2011, p160)

This matrix illustrated penetration strategy is appropriate when an enterprise owns existing portfolio of products and presents in the target market, and the target markets provide significant potential expanding sales. On the other aspect, diversification is a strategy in international market for rescuing the company whose products’ sales are decreasing rapidly.

The most visible opportunities of strategic development for most enterprises are in geographical coverage, which defined as differentiating a current product or applying technology for creating new applications (Doole & Lowe, 2011).

### 2.5 The four Ps of the marketing mix

Marketing mix is defined as “The set of controllable tactical marketing tolls – product, price, place and promotion – that the firm blends to produce the response it wants in the target market (Armstrong & Kotler, 2011, p. 81)”.

*Product* is defined as the combination of goods and services which are offered by firms to the target market. The elements of product include variety, quality, design, features, brand name, packaging and services.

*Price* means the amount of money which consumers must cost on obtaining the product. The elements of price involve list price, discounts, allowances, payment period and credit terms.

*Place* is the locations and company activities which make the goods available to target consumers. Place are related to channels, coverage, assortments, locations, inventory, transportation and logistics.
**Promotion** means the activities which communicate the advantages of goods and persuade target customers to purchase the goods. The activities of promotion include advertising, personal selling, sales promotion and public relations.

Additionally, Armstrong and Kotler (2011) concluded 4Cs as customer solution, customer cost, convenience and communication, which corresponds product, price, place and promotion.

2.6 The implementation of marketing strategies in internationalization

*Geographic development*

As Doole and Lowe (2011) discussed that the selection and development of market share in each country are quite important for MNEs’ growth. The conventional pattern of testing the viability of products is spreading in domestic market before spreading globally. The approach of MNE’s internationalization can be explained as the channel from birth of enterprise to international. During the process, it may be constructed by several dominant elements, such as high-tech firm, direct marketing e-commerce, home market is trading bloc, domestic market and network supply chain.

Figure 2.3 illustrates the model of geographic development (Doole & Lowe, 2011), which describes different MNE’s internationalization approach in geographic development.

![Figure 2.4 Geographic development of MNE (Doole & Lowe, 2011, p. 152)]

**Brand building**

Branding is always as seen as one of marketing strategies, which influences on
product and service policy. The image and reputation of an organization and its products and services are increasingly important differentiators from competitors’ offers in international markets and the management of international branding is vital in adding value (Doole & Lowe, 2011, p. 267). Consumers can identify products/services by recognizing brands, which means brands will influence further consumer satisfaction and typical profits.

Moreover, building better brand enhances an enterprise’ performance and efficient marketing (Aaker, 1991). Therefore, brand building is important in every section of production and promoting of products (Smith & Park, 1992).

Regarding to Doole and Lowe (2011) research, most consumers chose on global brand instead of another since three different measurements: quality, which provided by the enterprise’s global height, the theme of culture and histories which built by the enterprise, and corporate social responsibility expended by the enterprise.

As Doole and Lowe (2011) concluded Khashani’s (1995) arguments that there are numerous of factors which influencing on brands’ performance as following.

(1) Consumers with higher education level, better informed, more suspicious, more willingness on experiment, less brand loyal, much more aware on media and have higher expectation on the total package.

(2) Competitors are more enterprising, with launching rapidly of similar higher quality products.

(3) Having better awareness on brand performance, while retailers have employed better electronic selling technology. In order to responding better consumer information, the retailers have provided greater quality of private symbols.

In addition, some elements will cause the weaknesses in branding, such as lack of investment, developing product inappropriately, low-level communication skills with consumers, more concentrated on quick paybacks instead of long-term brand building, low capability of innovation, and more concentrated on tiny modifications.

Network

Market expanders tend to be larger firms who are more concerned with export sales objectives, do more export marketing research and have greater overall market share expectations. They place less emphasis on profitability, personal visits are less important and they perceive fewer product adaptation related problems. E-commerce businesses are typical market expanders (Doole & Lowe, 2011).

Many exporting firms, especially in high-technology or industrial markets, internationalize through their network of relationship (Doole & Lowe, 2011, p. 151).

The network of enterprises and individuals involves numerous different stakeholders,
such as consumers, consumers’ customers, competitors, supplementary suppliers, suppliers, distributors, agents and consultants (Doole & Lowe, 2011, p. 151).

Furthermore, enterprises build and enhance relationships through interactions with other individuals and companies, which urges trust, respect and knowledge beyond both actors. There are four measurement elements on evaluating the quality of relationships: communication, co-operation, trust and commitment (Kulmeier & Knight, 2010).

**Marketing communication**

Marketing communications are defined as the pattern of presenting and exchanging information with different stakeholders, both consumers and enterprises, which is aimed for achieving particular goals (Doole & Lowe, 2011). Kotler (2002) claimed that communication are the information delivery tools in international marketing which are playing an important role in digital media.

Moreover, marketing communications can be divided into two aspects as internal marketing and external marketing. Internal communication is built base on enterprises’ employees and external communication is the information exchange approach between organizations and consumers.

Figure 2.4 illustrates external, internal and interaction between firms, staffs and consumers.

![Figure 2.4 Internal, External and interactive marketing](image)

*Figure 2.5 Internal, External and interactive marketing (Doole & Lowe, 2011, p. 291)*
**Pricing strategy**

In domestic markets, fixing a price is normally based on total evaluated cost of a product during the process of producing, managing and marketing with adding appropriate profit margin. However, pricing strategy is more complex in international market rather than domestic market. There are several factors which influence on pricing decision in international market, for example, the position of an enterprise and its product, cost structures, product development, shipping costs, consumers’ perceptions, promotional adaption, governmental factors (Doole & Lowe, 2011).

Concluded by Doole and Lowe (2011), they developed pricing strategies as *standardization pricing, adaptation pricing, invention pricing*. Standardization pricing is keeping the price of products consistent for each consumers by consumers responding to delivery fees. This pricing strategy is advantageous for enterprises who are selling highly specialized manufacturing plant. Adaptation pricing is setting the price appropriately as local price, which is based on different countries and regions. Invention pricing is the combining both standardization pricing and adaptation pricing, which in order to the enterprise can be recognized by consumers in a short-term, the enterprise thus achieve a long-term expectation.

**Product and service development**

Increasing sales of products and services or offloading extra capacity is the core reason of enterprises developing international markets. Products and services are not only purely the functions of themselves, but also the benefits which consumers could obtain satisfying experiences on them (Doole & Lowe, 2011). There are three significant aspects of offering international products for catering to consumer requirement: Product benefits are the main elements for attracting consumers and satisfying consumers. Product attributes are the elements of core products which provide the features and specification of products. Marketing support services are the additional value accompanied with core products in order to providing consumer satisfaction, which includes delivery, after-sales service and guarantees (Kotler, 2002).

Product strategy is a broad topic as there are numerous factor involved in (Doole & Lowe, 2011). As one of the significant research, Mesdag (1985) discussed that there are three basic rules on strategic products: (1) Sell what you have. (2) Sell what people buy. (3) Sell the same thing internationally.

In addition, product diversification is concerned while enterprises expanding into new markets, and many of researchers found out that product diversification may create a number of advantages (Ramanujam & Varadarajan, 1989). Generally, catering consumers by diversifying products create new opportunities for business growth (Penrose & Pitelis 2009; Rugman, 1979). Beyond these, enterprises reduced risk by operating a larger portfolio of product market rather than a single product market (Muzyrya, 2010).
2.7 Interaction between MNEs and consumers

MNEs are the dominations of today’s global markets, which spread in the world, including third world countries. Cultural diversity and multicultural element are the main challenges while MNEs operating their strategies and practices during internationalization (Rao, 2006). Related to market internationalization, there are two different considerations involving cultural diversity and converging cultural homogeneity, which form the basis of practices in international marketing (Levitt, 1983; Hofstead, 1984).

According to previous research, the literatures are full loaded with examples of failed companies when they ignored the cultural diversity (Ricks, 1993). Multiculturalism and culture diversity have been a drastic discussed topic from early years, the results proved the contribution on marketing implications (Rossman, 1994; Costa & Bamossy, 1995; Seelye & Seelye-James; 1995; Howes, 1996). The significant of multiculturalism to international markets was typically discussed from the consumer behavior (Rao, 2006).

“In the twenty first century, as populations become increasingly mobile and as other factors affect production around the globe, every country and region in the world in becoming multicultural in social composition” (Rao, 2006, p. 3). Multicultural marketing environments are required by marketers who desired better performance during business internationalization process.

For instance, MNEs attempt to develop the opportunities in Chinese market, however, they have found that understanding the wide diversifications of consumer behavioral patterns is the core challenge, and those who did not cater to the challenge have failed (Business Asia 25 June 2001). During the process of exploring these challenges, Yau, Chan, and Lau (1999) concluded that adapting and understanding the differences of cultural factors between regions were important to an enterprise’s marketing success. Consequently, a successful market strategy must be a differentiation one, in order to adapting and catering different consumer behaviors.

2.8 Conceptual model

This model is combined with theories, which is helping for authors to build hypotheses. This model will be explained with five hypotheses which are addressed out in 2.9 Hypotheses.
2.9 Hypotheses

Based on the presentation of theoretical review in chapter 2, six hypotheses are developed regarding to consumers’ individual factors and their perception of enterprise’s strategies.

H1: Richardson et al. (1996) explored the role of family size, age, income and education on socio-demographics. They observed that higher-income consumers demonstrate lower private label brand proneness. This is also observed in earlier research wherein Frank and Boyd (1965) noted that lower-income consumers have a greater incentive to purchase store brands because of the financial pressures. In this regard, it is expected that lower-income consumers will show higher levels of general and price deal proneness and make more product comparisons than higher-income consumers. Spending (income), as one of the most essential demographic factors, it might interact with price acceptation. Hence, 

Hypothesis 1: Consumer’s spending is positively related to price acceptation when they consume the same product.

H2: Wagar and Lindqvist (2010) explained that age is a relevant factor in service design. They recommended that service providers therefore need to take age as an important factor in their service design. Age is a significant marketing phenomenon because it affects the consumption patterns of individuals and is associated with several important social and psychographic factors (such as family size, income, and self-image) (Alalaakkola, 1996). Since age interacts with numerous factors, it might interact with the consumers’ evaluation on enterprise’s promotion. Hence,

Hypothesis 2: Consumer’s age is positively related to the evaluation on enterprise’s promotion and advertising.

H3: In particular, several researchers (Dimara and Skuras, 2003; van Ittersum et al., 2003; Mattiacci and Vignali, 2004; Skuras and Dimara, 2004; Chambers et al., 2007; Dekhili and d'Hauteville, 2009; Guerrero et al., 2009; Roth and Diamantopoulos, 2009) recognize that the value the consumers give to products is related to certain places or regions. Thus, Swedish and Chinese might have different perception of Swedish products. Hence, 

Hypothesis 3: Swedish consumers’ perception of Swedish products are better than Chinese consumers’ perception of Swedish products.

H4: Regarding to previous research, Kim, Triandis, Kagiycibasi, Choi, and Yoon (1994) explained Western individualist societies are based on the tenant of liberalism. In these societies individuals are encouraged to be rational and are given individual rights to define their own goals and choose freely. Conversely, East Asian collectivist
societies are based on Confucianism, which promotes common goals and social harmony over individual interests. In this study, Swedish are regarded as individualist while Chinese are collectivist, yet it is expected to explore. Hence,

*Hypothesis 4: Swedish consumers are individualists while Chinese consumers tend to be collectivists.*

H5: In low-involvement product decisions, there is a gradual change in the perception toward the product, governed by repeated purchase and motivated by behavioral-choice factors. Repetitive purchase and use of the product leads to positive evaluation of the product and attitude formation. In the high-involvement product decisions, a consumer actively seeks for stimuli and evaluates the various alternatives on both rational and emotional parameters (Ratchford, 1987; Fairhurst, Good & Gentry, 1989). The products with different levels of consumers’ involvement might influence enterprises’ strategies. Hence,

*Hypothesis 5: Enterprises merchandise products with different levels of consumers’ involvement have different marketing strategies.*
3. Methodology

*This chapter describes the methodological choices of this thesis. It outlines the descriptive qualitative and quantitative research approaches and the multiple-case study design. The selection of the case enterprises and choice of respondents as well. Finally, the processes of the authors’ data collection and analysis are explained.*

3.1 Research strategy

“By a research strategy, we simply mean a general orientation to the conduct of business research” (Bryman & Bell, 2007, p.25). There are two main research methods: qualitative method and quantitative method, which are available to researchers to contribute this study (Bryman and Bell, 2007). Furthermore, there is a multiple research method which mixed qualitative research and quantitative research. As Jick (1979) clarifies in his article, this combined strategy was first raised by Campbell and Fiske (1959), then carried out by Denzin (1978), who conceptualized it as the “between (or across) methods” type. The benefit of this type of method is that it gives the authors confidence to generate the research results (Jick, 1979).

Qualitative research is defined as a method that often applies to explore a social phenomenon (Reiss, 1968). The main strategies associated to qualitative method are case study, ethnography, action research, grounded theory and archival research (Saunders et al. 2009). In addition, qualitative method put more emphasis on words to study the given subject rather than the numbers (Bryman & Bell, 2011). Qualitative method is more based on figures, facts to identify causal effects and consequences through statistics, is more need to use the words to understand the phenomenon (Bryman & Bell, 2011).

Quantitative method uses numbers and statistical methods to study a given subject (Neill, 2007). The main strategies associated to quantitative method are experimental and survey (Saunders, M., Lewis, P. & Thornhill, A. 2009). What’s more, quantitative method usually emphasizes on testing and verification (Bryman & Bell, 2011). With a property of result oriented, the approach is logical and critical (Ghauri & Grønhaug, 2005, p. 86).

For this study, a multiple research method is adopted. Since the purpose of this research is to investigate the differences between Swedish consumers and Chinese consumers while they consuming Swedish goods. Quantitative study was conducted to collect the consumers’ data. Additionally, a qualitative study was conducted when collecting the data of the chosen Swedish companies, which involves an emphasis how an individual interprets and perceives reality. In order to have a deep and detailed study, the authors gathered the relevant information in the empirical data and case study. Bryman & Burgess (2002) writes that the survey design becomes a so-called
case study when an individual case is studied with a qualitative research strategy. By having three cases in this study, it is then called a *multiple case study* (Yin, 2009).

### 3.2 Research approach

There are two different research approaches which are deductive approach and inductive approach. Deductive approach is simplified as a research approach from theory to data, which is normally used when hypotheses are proved; inductive approach is simplified as a research approach from data to theory, which is for testing hypotheses (Thomas, 2006; Bryman & Bell, 2011).

In this research, the authors used both of deductive research approach and inductive research approach. Since hypotheses are built up based on existing theories, which conformed deductive approach. On the other hand, the authors collected data for testing their hypotheses to generate new theories or theoretical model, which is consistent with inductive approach. By this way, this thesis will be utilized pervious knowledges, at the same time, generate conclusions.

### 3.3 Research design

In this research, the authors combined multiple-case study designs and comparative design. “Multiple-study designs have become increasingly common in management and business research. They are extensions of the case study design” (Bryman & Bell, 2011, p. 63). Multiple-case study design is regarded as one part of comparative design, since the way of research designs allow researchers compare and contrast the information from choosing cases. Furthermore, as one of the advantages, multiple-case study designs encourage researchers explore the common aspects and unique aspects between the cases.

Since this research purpose is exploring the way to enhance Swedish large MNEs’ performances in Chinese market, IKEA, Volvo and H&M have been chosen as cases. The first reason of chose theses three enterprises is all of them are met the requirements of large MNEs. The second, they are the leaders in different industries in Sweden, this selection generates more significances for this research. The third, according to the research area of this thesis, the object of this study is Chinese consumers, which requires the enterprises already existing in Chinese market. IKEA, Volvo and H&M have long-term operated in Chinese market, they thus have been selected.

### 3.4 Data collection

In this study, two types of data collection methods are conducted in order to achieve the purpose of this research: primary data collection and secondary data collection. Primary data has been conducted through questionnaire. While secondary data was collected from different sources of literature, which has been used to get a deeper understanding of the research field.
3.4.1 Primary data

For expanding the knowledge of research subject, the support of secondary data is not enough, which means primary data is definitely required. As Saunders *et al.* (2009) stated, primary data is significant useful for a given subject. There are three common methods for data collection, which are questionnaire, interview and experiment (Christensen & Engdahl, 2001). In this study, questionnaire is the only method for collecting primary data. Actually, questionnaire is a better choice for collecting data, in order to maintain the data validity and reliable.

In this thesis, the primary data is calculated by statistical method which is used for testing hypotheses. Since the research purpose in this thesis requires collecting data from both Swedish consumers and Chinese consumers, there are 200 questionnaires are sent to Swedish and 200 questionnaires to Chinese. For ensuring the data is relevant, the authors chose the approach of data collection by web surveys. Web surveys are defined as “Web surveys operate by inviting prospective respondents to visit a website at which the questionnaire can be found and completed online” (Bryman & Bell, 2007, p. 662). On the other hand, by the way of web surveys, the data possesses validity, since this way is random sampling. As Bryman and Bell (2007) discussed, with random sampling, each respondent has an equal probability in the sample.

3.4.2 Secondary data

In order to get a deeper understanding of this study area, secondary data collection is chosen by the authors. According to Bryman and Bell (2007), secondary data refers to make a basic knowledge of the given subject, collected from different sources of literature which usually comprehend textbooks, journals, reviews and online resource. Secondary data used in this study was collected from a number of sorts, books, journals, reports, which assorted to “consumer behavior” from Internet databases are included. In addition, the authors get to know the companies’ strategies and operations by searching their webpages. Moreover, it is important to evaluate these secondary data and check its accuracy in order to ensure this study is reliable (Christensen & Engdahl, 2001).

3.5 Data analysis

Of these, 400 who conducted the questionnaires, there were 200 Swedish respondents and 200 Chinese respondents completed the entire questionnaire. Since the questionnaire were released separately to Swedish and Chinese by Facebook (for Swedish) and www.wenjuan.com (for Chinese), by this way, all of the respondents are self-willing to answer the questionnaires.

Random sampling method was used where each member of the population had equal chance to be selected (Jacobsen, 2002). Jacobsen (2002) argued that a large sample should be in a range between 400-600 units, which is sufficient to achieve good
precision, and to process the information in a good way. And since Jacobsen (2002) also states that a selection of less than 100 units complicates the analysis of information simultaneously as errors increases. The range of 150-250 is considered to be sufficient to ensure within the limits as expected.

3.6 Validity and reliability

Leompte and Goetz (1982) adapted reliability and validity as regards to qualitative research (as cited in Bryman & Bell, 2007). These criteria have to be taken into account in order to achieve a high level of quality of the qualitative research (Bryman & Bell, 2007).

Validity is concerned with “the issue of whether or not an indicator (or set of indicators) that is devised to gauge a concept really measures that concept” (Bryman & Bell, 2007, p.165).

Reliability refers to “the consistency of a measure of a concept” (ibid. p. 163). There are several factors would impact on reliability such as stability, inter-observer consistency.

Since the primary data of this study are collected by random sampling, each respondent has an equal probability to receive the questionnaire, the primary data thus is provided with validity. In addition, the main construction of the secondary data is formed by literature review and multi-case study. The literatures and cases by used have been proven tested, therefore, the secondary data is reliable.
4. Empirical data

In this chapter, empirical data is divided into two sections as case description and questionnaire data. The information and historical background of Swedish large MNEs are presented as case study, which are the strategies of IKEA, Volvo and H&M in Chinese market. The response options and questionnaire data are explained as well.

4.1 Case description

4.1.1 IKEA in Sweden


The first IKEA’s store in the world, was opened in 1958 in Almhult, in Smaland. IKEA Sweden now has 17 stores and is, not surprisingly, a major player in the home decoration market, having been so for many years. IKEA’s mission statement to make furniture for ‘the many people’ is very evident in Sweden. Product penetration is very high, much higher than in other markets. Swedes have extensive knowledge about IKEA - the products, stores and the company - and most Swedes have experienced IKEA for generations. This, from a company perspective, presents a recognized challenge - as IKEA has, for some, become associated with ‘boring’ furnishing styles popular with older generations.

While ‘the many people’ is an accurate description of the IKEA consumer base in Sweden, in actual marketing terms the target market is a more focused: namely women, 20-49 years old, often with children. In addition, an important target group in recent years has been the 55+ age group who no longer have children at home, and who are in a good financial position.

Merchandise

In recent years, the stores have also developed more local marketing initiatives than was previously the norm. Price is a core aspect of market positioning in Sweden - IKEA is known for its low prices. This is achieved by having a low price promise, and by offering low prices in comparison to competitors in different areas.

In recent years, here as in most parts of the IKEA world, cutting prices has been a major part of the marketing strategy. Prices have been reduced by some 20% over the past 8 years.
**Location and store formats**

In Sweden IKEA stores are located as in much of the IKEA world: outside city centers, with a focus on consumers using their own cars to travel to and from the stores. IKEA receives regular propositions from different municipalities who want to open a store. One recent, and much publicized store opening, was in Haparanda Tornio, in the far north of Sweden on the border with Finland. The launch of this store was regarded as a major success, not only for IKEA, but for the whole community where depopulation had been a major problem. However, even though it is relatively easy to find places to establish IKEA stores in Sweden, there is still competition with other retailers for the best locations.

**The selling and service environment**

The stores are an important marketing tool for IKEA Sweden, as this is where the customers come into contact with the company and where they can see what the IKEA concept is all about. As the Swedish stores have been relatively small in many places it has been difficult to expose customers to the full width and depth of the assortment. The newer (and larger) stores now being built allow customers access to the full IKEA product range.

To Swedes, the DIY element of the concept is accepted: customers collect their flat packs, carry them home, assemble them, and in return they pay a lower price. Still, in recent years IKEA Sweden has added home delivery and assembly services for a fee. IKEA’s own Customer Satisfaction Index (CSI) - a standardized customer survey carried out in every country every year – identifies the major ‘problems’ for IKEA Sweden as waiting times and stock availability, which is something that IKEA Sweden has improved in recent years. IKEA Sweden still scores well in the survey for innovation and the low prices.

**Market communication**

In Sweden the catalogue is the most important promotional tool. It makes IKEA unique and is a source of inspiration for customers. In Sweden the launch of the new catalogue is a major PR event - for example to support the launch of the 2008 edition, IKEA furnished the waiting hall of the Stockholm train terminal - and all major newspapers carry lengthy reviews and commentaries.

IKEA’s approach to the Swedes in terms of advertising and promotion is intended to be youthful and different, fun and surprising, emphasizing that nothing is impossible, but that the company also is very honest and human. At the moment IKEA Sweden is in a ‘re-launch’ phase. Although being well known is often an advantage, it also brings problems: consumers become very familiar with the company. IKEA Sweden is in a particular stage of the IKEA lifecycle, where homes are already filled with IKEA furniture and accessories, and where IKEA is the market leader for kitchens, etc. In these circumstances, it becomes more challenging for IKEA to make itself
appear new and exciting. The advertising strap-line for 2008 was ‘Decorate the home as you want to live’ and ‘Long live diversity’.

4.1.2 IKEA in China


For IKEA the step into the Chinese market was an important one, maybe as significant as the first move onto foreign soil at Spreitenbach in Switzerland in 1973 (Torekull, 1998). IKEA, however, targets a different customer group in China than in other countries which are at a later stage in the IKEA ‘life cycle’. The Chinese customer group is typically aged 25-35 (the core customer is around 30), and many are ‘little emperors’: the generation born into the One Child Policy (now between 15 and 27 years old). This segment of the population comprises 30 million people and is characterized as being impulsive, easy to influence, very social, and committed to foreign consumer brands (Gunnarsson, 1997). This group is well educated, lives in the large cities, and with increasing salaries, is growing every year.

The customer in China buys less when they visit the store than the average IKEA customer. But in Shanghai, the core customers visit IKEA more often than anywhere else in the world: 33% come to the store every month. This means, amongst other things, that there needs to be regular changes to the displays in the store. The Shanghai store for example rearranges the room settings at least seven times a year to display new products or to reflect different holidays and promotional campaigns, etc.

IKEA’s offer reflects the core mission - to supply affordable solutions to Chinese customers. However, the overall image of IKEA is different from this (see below), forcing IKEA to offer other forms of value to their Chinese customers. In the primary market area of the Shanghai store, the monthly household income of core customers is 6000 RMB. This is high by Chinese standards but not in the IKEA world: IKEA compares different countries by using a typical IKEA basket of goods. A Swiss consumer only has to work for 2 months to purchase the basket, whereas a Chinese consumer would have to work for 18 months.

Merchandise

Some of the key challenges facing IKEA are summed up in the citation below:

When Ian Duffy was first put in charge of IKEA’s China stores four years ago, he spent hours at the checkout line observing customers. He didn’t see many. Instead, he saw plenty of people crowding the Beijing store for freebies—air conditioning, clean toilets and even decorating ideas. Adding insult to injury: shops right outside were offering copies of IKEA’s designs at a fraction of the cost. So, to lure shoppers, the
Englishman launched what could be the cheapest IKEA non sale items in the world: a scoop of vanilla ice cream in a cone for 12 cents. Thus began IKEA’s strategy to beguile the finicky Chinese consumer by slashing prices in China to the lowest in the world—the opposite approach of many Western retailers (The Wall Street Journal, March 3, 2006).

IKEA is used to being perceived as having low prices within the market, and as discussed above, this is one of the competitive cornerstones of the whole IKEA concept. However, this is not the case in China, where the perception of IKEA is that of a fairly exclusive western retailer and as a store for the higher middle class (Lewis, 2005). To the Chinese, Billy (the inexpensive, high selling book case) is perceived as a luxury item (Jungbluth, 2006).

In response IKEA has accepted that to some extent, the main approach must be to cut prices, and to do that, IKEA China has been allowed to ‘break’ some of the established operating codes in the organization. China is a major sourcing country for the IKEA group, accounting for 20% of total company purchases. To be able to cut prices in the Chinese market, IKEA China has been allowed to expand the proportion of products sourced locally. Some commentators say that half of the products now found in an IKEA store in China are made in China (The Wall Street Journal, 2006), whilst IKEA claims that the figure is 30%, although the local trading office is now looking for Chinese suppliers for an additional 500 items. According to IKEA, these changes to the sourcing model have resulted in a real lowering of prices in the market. Prices have fallen by at least 30% since 2003, and for some products the price has dropped as much as 90%. IKEA’s single-seat Ektorp armchair retails for 112$ in China, 67% lower than in the US (The Wall Street Journal, March 3, 2006).

As price will not, in the foreseeable future, be the main source of competitive advantage, IKEA China tries to position itself as a company with unique competences in interior design. Helping customers with interior design has become the core message, rather than selling individual products at low prices. The focus has also been on selected issues, like storage. Most Chinese live in small apartments and IKEA argues that it can help with smart solutions for storage that make life easier. IKEA’s claim is very much about function, which contrasts with the traditional Chinese furniture manufacturers were everything is about tradition.

From experience IKEA managers know that markets run through some kind of life-cycle: when stores open in a new country most customers buy market-hall products, i.e., everything but furniture. In established countries the proportion is said to be 65:35 between furniture and market hall products. Although the ratio varies across the IKEA stores in China, China has matured relatively fast with the furniture: market hall proportions fast approaching those found in older markets like Sweden and Germany. The Chinese view IKEA products as innovative and non-traditional, for example square tables (as opposed to the usual round ones) and the colors used by IKEA.
According to the company, the ‘IKEA’ brand is well known - in Shanghai, 96% of the catchment area of the store are aware of the brand, and the first Fortune Cookies opinion poll in China showed that 75% of those with a monthly income of more than RMB 2500, living in urban areas, and aged 15-55, knew of IKEA (Dagens Industri, 05/05/2006). The meaning of ‘IKEA’ in Chinese has positive connotations: The Chinese translation means ‘desirable for home living/comfortable home’, and it is pronounced ‘Yi Jia’, similar to the English pronunciation of IKEA.

The core assortment in an IKEA China store is very similar to elsewhere, although a few minor adaptations have been made to reflect local culture. In 1998 three products were introduced just for China - chopsticks, a wok with a lid, and a cleaver - but these items are now available in almost every store around the world. The IKEA China stores also have a special set of tea cups for the Chinese New Year, and 500,000 plastic placemats were produced to commemorate the year of the rooster (Business Week, 15/11/2005). Currently, in mainland China, as well as in Hong Kong, the beds sold are shorter (190 cm) than standard-sized beds (200 cm), although this is under review. Many Chinese live in apartments with balconies and this space is very important to the Chinese. Consequently, IKEA has provided a ‘room’ setting in the store which show how a balcony can be furnished, and a special balcony section exists in the stores (Lewis, 2005).

Location and store formats

The big-box IKEA format is unusual in China where shopping is traditionally done locally and through specialist stores. The IKEA stores in China are located closer to the city center than is normally the case in other parts of the world, although the location is not exactly down-town. Lower levels of car access in China make out-of-town locations unpractical. Instead stores have to be located close to public transportation hubs to ensure a high volume of customer traffic. A good example is the Shanghai store which is very close to several bus lines and one of the metro lines. However, as the Shanghai store also has 700 parking places under the store, IKEA is expecting Chinese shopping patterns to change in the future.

Customer reliance on public transport is a contributing factor to service levels: home delivery services are more common and more extensively used. Also, outside the stores in China local entrepreneurs can be found offering transportation and home assembly services.

The selling and service environment

Although the products available in the Chinese stores are basically the same as in any IKEA store in the world, the stores do not look the same inside. IKEA tries to create room settings that are relevant to Chinese customers with realistic room sizes and kitchens. The in-store room settings reflect those of Chinese apartments. One obvious example, mentioned earlier, is the incorporation of balconies (The China Business Review, July-August, 2004). So even with the same products, the room settings in the
store in Shanghai look and feel very different from the store in Malmo. The outcome is basically the same product range - but adaptation in the store through the presentation of goods and types of home solutions offered.

The shopping experience is also different. As other customers are an important part of the shopping experience, the way the store is used by Chinese consumers - not only as a shop but also as a social area - is recognized and accepted. Initially, Chinese consumers came not to shop but to socialize in a pleasant atmosphere, which was much ‘freer’ than that found in other furniture shops in China, where you are not allowed to touch the merchandise. This is still true - people can still be found in the Shanghai store who appear to be asleep on the beds, having a nap on a sofa, or reading books with their feet on one of the tables in the room settings - but IKEA tolerates this ‘being at home’ behavior as they hope that these people will return as customers. In store communication is not just aimed at the younger target market.

IKEA’s own CSI shows that - expect for service and the shopping experience - IKEA China scores below the IKEA average, although it still scores highly for product range and fashion. Given the high number of people that visit the stores in China it is no surprise that the overall satisfaction levels are lower than normal. Today overall satisfaction in China is argued to be equal to the rest of the world, despite a lower score in some areas. For the criteria of inspiration, waiting times, and helpfulness of staff, IKEA China scores above average on the CSI.

Another element of the IKEA business concept which confuses Chinese customers is the added labor that the customer has to put in. As well as the self-service concept throughout the store, including having to visit the warehouse to pick up products - the fact that the customer then has to assemble the products at home is alien to the Chinese. Although one does not need many tools to do this, as China does not have a DIY culture, few customers have even the most common tools at home. When the Chinese need something done in the house they employ someone, as labor is inexpensive. Explaining and justifying the DIY concept - which is at the heart of the IKEA business model - is hard work in China. IKEA provides home delivery, for both long and short distances, as well as an assembly service for a low fee (e.g. short haul home delivery for RMB 50, and assembly of a single item for RMB 40). IKEA has also created - although not intentionally - an industry of delivery drivers that help to assemble IKEA furniture: these pickup trucks and their drivers are lined up outside the stores (Lewis, 2005). However, this service is already included in the purchase price at other stores. In Europe and in the US the product price is so low that consumers can see the benefit of doing these activities for themselves, but in China where the price of IKEA products is seen as high and then the customer is expected to do these things that no other retailer makes them depend on yourself, this causes resentment and confusion. IKEA acknowledges this, and provides information in the stores, on the website, and in the catalogue to prepare the Chinese consumer for the IKEA store experience. They also employ shopping hostesses to walk around the store explaining how the concept works to customers. IKEA representatives argue that
Market Communication

One of the major differences when it comes to communication with the consumer in China compared to the rest of the world is the role of the catalogue. In China it is impossible, cost and reach wise, to distribute it in the same way as in other countries. The catalogue is distributed in the store and in some of the primary market areas, but there is a greater reliance on smaller brochures which are sent out several times during the year. These brochures are produced by the same people in Almhult in Sweden that produce the catalogue in order to make sure that the brochures have the same layout and IKEA ‘feel’.

IKEA is known for its ‘out of the box’ thinking when it comes to creating an interest in IKEA and its products, and IKEA China is no exception. One example is a campaign which involved the transformation of 20 elevator interiors in less affluent residential districts in Beijing. The purpose was to create a nice environment in a dull place, to reach untapped markets, with the broad message that ‘change is easy’. Other PR activities include taking Chinese journalists to Sweden and Almhult, to teach them about Sweden, IKEA, and the roots of the company, and IKEA is supposed to have started or sponsored a TV-show in which viewers are offered lessons in home decorating.

IKEA has run many different advertising campaigns in China, through TV, newspaper and print media. The general theme in these campaigns are the same as everywhere in the world but with a Chinese twist (be different, break tradition). The IKEA advertising line in China may be viewed as being a little ‘softer’ than in other places - humbler advertising which does not stand out very much, with a friendly focus upon home furnishing solutions, education of the consumer, and the offer of a partnership for the future.

The web sites of the different stores in China are also viewed as an important communications vehicle, as the internet is an important information source for the target group. The internet is also used to educate customers about the IKEA concept and the shopping experience in particular before customers come into the stores.

4.1.3 Volvo in Sweden

The case description of Volvo in Sweden is quoted from “Samama, D., & Vega, J., (2010) Does Volvo Cars’ marketing strategy differ according to consumer behavior in Sweden and in France - A study of how Volvo Cars adapts its marketing strategy in France compared to Sweden, p. 32”. Some parts of the case study about Volvo in Sweden is quoted from this article.

Volvo Cars is a Swedish upper-scale automobile manufacturer from Gothenburg which was created in 1927 by Gustaf Larson and Assar Gabrielsson (Volvocars.com
Strategy in Sweden

In Sweden, Volvo is very well-known: Volvo is the most purchased car in Sweden – this might be due to the nationality criteria: Swedish people might prefer to buy Swedish cars. Indeed, the two most sold cars in Sweden in December 2009 were Volvo V70II and Volvo V50 (Bilswedens.se).

Therefore, Volvo do not really need to advertise a lot in Sweden since they are very popular and we may assume that in Sweden, people know and trust the brand, its values and the quality of Swedish steel. Furthermore, Volvo Cars are also very practical and emphasize family life - which a very important value of the Swedish culture. With its new brand image, the emphasis is started to be laid on the design and the appearance of the cars, but the main focus remains on other features such as practical aspects, safety, environment - and economies of fuel- (Youtube.com 2010), and quality. Besides, on Volvo Cars Swedish Corporate website- and on billboards we have seen in the streets of Umeä - advertisement is centered on safety and the new pedestrian protection system that equips the S60 (Volvocars.se 2010). Moreover, we can see that Swedish commercials are humorous (Youtube.com 2010 and Dailymotion.com 2010). In fact, most car commercials - especially if it is for upper scale cars like Volvo - tend to be very serious.

4.1.4 Volvo in China

Volvo was owned by Ford Motors Company from 28th of January 1999 to the 28th of March 2010 when it was bought by Geely – China’s first private automobile manufacturer (LesEchos.fr 2010). The fact that Volvo now belongs to Geely will allow the Swedish automobile manufacturer to be more visible on the Chinese market (which is a very important one) and maybe finally become profitable again. Nevertheless, Geely promised that Volvo Cars’ strategy and conception would remain controlled by Volvo AB which has been in charge of the control and protection of the brand’s use. The car production should not be delocalized to China either (LeParisien.fr 2010). Indeed, most Volvo cars are currently mainly manufactured in Belgium (Ghent for the regular models such as the C30 or the S60) and in Sweden (Gothenburg for the bigger models such as the XC 70 and the S80). It is a very important fact that Geely plans to let Volvo remain independent because Volvo Cars’ reputation worldwide as a trusted upscale automobile manufacturer would certainly have been impacted if the company had become completely controlled by Geely and if the production had been delocalized to China. This take over does not seem to have affected Volvo sales since Volvo Cars is the automobile manufacturer that has seen its European market share grow the most in 2010 with a progression superior of 35% (European Automobile Manufacturers’ Association 2010) only overpassed by Nissan. This raise is probably to be linked with the renewal of the design of Volvos and to the efficiency of Volvo Cars’ marketing strategy: we may indeed assume that they have
managed to convey their values (and that these values are perceived as good by the customers) and to promote their products in a way that has convinced customers that Volvo is a good choice for a car.

**Strategy in China**

In China, Volvo’s brand positioning is “more luxury, Growth, own Volvo way!” (Automotive news china conference 2012) Thus, its strategy is quite different from what it implemented in Sweden.

Volvo launched China strategy and growth plan (after acquisition) since Feb 5\(^{th}\), 2011. The core value of Volvo is safety, quality and environment. The growth plan was implemented as full-functional regional headquarter established to support China - the Second Home Market. And their product strategy is to meet the needs of Chinese market with localization of portfolio.

Volvo Cars' continuous journey as a global brand took a giant step forward in November 2013 when they opened their Chengdu plant in China. The first car to be manufactured in China, the Volvo S60L, a model with long wheelbase, which is specifically designed for the Chinese market. Volvo Car Group also opened an engine plant in Zhangjiakou in 2013 and we plan to open a second car plant in Daqing in late 2014. The development center in Shanghai also shows how important China is for Volvo. The factories in China are working entirely according to Volvo Cars manufacturing standards and procedures - the same as in our European factories.

Furthermore, China has become the fastest growing market for Volvo. During the first half of 2014 sold 38,555 cars in the Chinese market - an increase of 34.3 percent compared with the same period of 2013. In practice this means that China has taken over first place as Volvo's biggest single market, and surpassed the United States.

**4.1.5 H&M in Sweden**


These are approaches to subdivision of a market or population into segments with defined similar characteristics. Demographics and psychographic segmentation are used for H&M to reach all their customers. H&M is spread throughout the world. This means that the company targets many religions, culture and lifestyle. Therefore, their marketing has to be done differently in different areas. 1. Segments by class: H&M strategy is offering high fashion at low prices, typically targeting working class, lower middle class and students. 2. Segments by class/home: The most popular segment is women aging between 15 and 30 years, either still living at home, in student dorms, or in their first house in urban regions. 3. Segments by age: The most popular segment is women aging between 15 and 30 years commonly known as generation Y, ambitious with high buying power. 4. Segments by family life: Typical college to
graduate females’ life at home single, on their own in dorms or in their first home, either single or as a young couple without children.

**Product**

H&M is classified as a brand that offers homogenous shopping products. This means that their consumers purchase their products at H&M because of its pricing and features. Many consumers that shop at H&M get attracted to purchase several items they didn't plan to get. The reason to that is the convenience of having all departments in one retail store, which gives H&M a large Product mix width. Every department H&M offers have various product lines to be able to attract as wide demographically as possible. Since H&Ms focus is to sell good quality products inspired with the latest fashion, for an unbeatable price, they always have new product lines coming up. H&M is a retailer that is looking to provide consumers with fashionable, high-quality clothing at the best price possible. They offer “fast fashion” clothing, in other words from runway to racks in record time, and sell European influenced clothing in the American market. Additionally, H&M carries clothing in a variety of categories including women’s casual, men’s business, children’s wear, footwear and accessories.

Products and services have something called "product life cycle" which includes 4 stages - Introduction stage, Growth stage, Maturity stage, and Decline stage. Since a product doesn't last forever it's important that company stays on top of their innovations or development of their products and services. Marketing managers use this life cycle to forecast the products future and develop a marketing strategy as effective as possible for that particular product. H&M has always something new coming up. But by being a clothing brand H&M doesn't have to focus on the innovation of a whole new product. H&M's focus is on staying on top of the fashion trends. In the fashion industry there is a fairly short product life cycle because trends and tastes change regularly. Once fashion is introduced, there is a rapid growth stage and before it reaches maturity, sold at dump prices to make space for the latest fashion

**Price**

The price strategy of H&M is designed based on their customers’ needs which is low price and high fashion. H&M outsources the production to countries where the labor cost is much lower. To control transportation cost, outsourcing was arranged according to different product. Those high fashion products which target at the European market were produced in Turkey, because of the short product life cycle. In addition, basic products are produced in Asia because they allow longer transportation time and bear lower risk. The company also conduct strict cost control plan. For example, very few executives have secretaries or have cellphone privilege. These two steps allow H&M to achieve a low price fashion business.

Although H&M’s low price is the foundation of success, I would argue that the low price also gives H&M an image of bad quality. This image hinders H&M from keeping their customers. When a young girl turns to a middle-aged lady or a school
girl becomes an office lady, H&M may not suit them. As a result, H&M face a challenge of constantly attracting new customers. This challenge may call for more cost in promotion.

**Promotion**

To develop a promotion strategy, a company should firstly identify and understand target audience. H&M’s target customers are young women who want more fashion cloth at low price. Young people have plenty access to information. A multi-channel promotion strategy including advertising, internet promotion, sales promotion was adapted by H&M. These multi-channel strategy increases the exposure of H&M. Product of H&M is low price and high fashion which is based on their customer needs. The promotional actions of H&M focus on the two features. It is easy to find the posters of H&M are in fashionable style and always with the price of the clothes. On H&M’s website, price is put at obvious position. Although Zara and Gap, H&M’s main competitors, put the price online, they usually put it small. On the contrary, advertising of H&M always highlights the low price to build awareness of their low price. H&M conducts an eye-catching event promotion which is to invite top fashion designer to design clothing for them. This method is not only improving the product but also enhance the brand image to be more fashion and upper-class.

**Place**

The features for H&M logistics are simplicity, reliability and transparency. H&M design clothes and outsource it. Basic goods are made in Asia, while fashionable goods are made in Turkey. Instead of owning factories, H&M chooses to own outlets. The realization of H&M’s business ideas relies on the success of their distribution strategy. Lightning turnaround is the reason for the success of H&M.

H&M distribution channel is direct distribution, from producer to customers. By cutting middle transaction, it reduces cost and assures quick delivery. H&M choose to sell clothes and cosmetics in around its stores Store selling, on one hand, assures basic access to customers and helps the command from headquarters go to outlets efficiently and correctly. Because the inventory for H&M is refreshed every day, direct command is important for correct adjustment in stores. On the other hand, controlling so many stores give rise to the managerial cost. Besides stores, H&M starts to launch online sale in several areas.

**4.1.6 H&M in China**


H&M opened its own local purchasing office in Shanghai in 1994 after 15 years
sourcing through agencies, since the company regarded local presence as important in developing sustainable and close relationships with its more than 100 local Chinese suppliers. About 50 percent of H&M’s suppliers are privately owned and the rest is owned by the state. Today there is also an office in Beijing. Of a total number of 150 employees in China, about 90 percent are local Chinese nationals. H&M emphasizes Chinese export restrictions on textile products as a main challenge when sourcing in China. The Chinese government controls the quota acquiring process in which state-owned enterprises (SOE’s) are usually favored. Privately owned Chinese companies seem to have a hard time to compete on fair rules, which complicates the sourcing process. The quota acquiring process still remains a mystery even to the personnel at H&M. However, both the EU and USA have indicated that the textile quotas imposed on countries within the WTO will be removed in 2004 (Fang, Olsson & Sporrong, 2004, p. 7).

In 2007, the fashion brand expanded its business to China and the Asian giant becomes the retailer’s largest market outside Europe and the US. Nowadays H&M has more than 241 stores in China and its sales in 2013 amounted to $1.13 billion, according to the company.

Due to its popularity among Chinese consumers, H&M is rapidly growing in China. As reported to the company, the number of H&M stores in China is growing at around 15% annually. However, in order to expand its business and have success in China, the brand needed to develop efficient and strong marketing online strategies.

In addition, H&M has a strong online presence in the Chinese market. Online shopping is very popular in China and has become in an important source of sales for most of the companies operating there. Thanks to e-commerce, brands have the chance to reach a vast number of Chinese consumers including cities where they do not have any retail shops.

H&M launched its e-commerce shop in China in September 2014. The online store has the brand’s full product line and has included its home ware collection. During the first weeks of September the brand offered free shipping and special discounts with the aim to promote their e-commerce site among Chinese consumers.

Thanks to the online shop, H&M is expanding its business across China and reaching potential customers from lower tier cities who don’t have access to H&M brick and mortar stores.

**Online Strategy in China**

**Weibo account**

Social media platforms are very important to brands which have business in China. Over the last years, Chinese consumers have become more impressionable by social networks and most of them base their purchasing decisions on information and
comments they found on those platforms.

H&M is one of the businesses that has done some great work using social media platforms for marketing purposes such. Take a look at its Weibo. A successful strategy of the fashion brand on Weibo was used the influence of the celebrity Anna Dello Russo, a brand ambassador of H&M to promote her collaboration with H&M collection. The night before the collection’s launch, the popular actress wore H&M’s jewelry in an advertisement campaign that her style designer, Bu Kewen shared via Weibo. This successful marketing campaign was shared more than 30,000 times and was commented over 4,000 times with many people asking about where to buy the jewelry.

Thanks to Weibo, H&M has increased the brand awareness and has reached and interacted with a huge number of potential customers. Social platforms such as Weibo as an effective tool to impact on consumers and raise sales targets.

*Creative mobile initiative*

Last year, H&M developed an interesting online site called the “Fashion Mixer”. This initiative was a musical product catalogue which mixed music with men and women fashion with the aim to promote Divided, a summer clothing line of H&M.

Through this mobile initiative, users had the opportunity to design their own customized tracks via their mobile devices and tablets. Each of the 43 items of clothing including shirts, shoes, dresses, coats and accessories had a unique sound effects such as voices, melodies and beats.

Once they created their personalized track they could share it via social media platforms such as WeChat and Weibo. The tracks with more “likes” had the chance to win Skullcandy’s headphones.

H&M is considered as one of the brands with better marketing online strategies in China. Thanks to its successful integration of digital, H&M has increased its brand awareness and its sales in the Asian giant (Digital in the round, 2016).

4.2 Survey results and statistics

4.2.1 General and knowledge based questions

As we mentioned earlier, the questionnaire begins with general questions to investigate the respondents’ demographic and important factors like culture. All of the 200 Swedish respondents and 200 Chinese consumers answered the Q1-Q5 in the questionnaire.

In Q1, 28% (56) of Swedish consumers are female, and 72% (144) of Swedish consumers are male; 48.5% (97) of Chinese consumers are female, and 51.5% (103) of Chinese consumers are male.
In Q2, 50% (100) of Swedish consumers’ ages are 0-25, 42.5% (85) of Swedish consumers’ ages are 26-35, 4.5% (9) of Swedish consumers’ ages are 36-45, 3% (6) of Swedish consumers are older than 46 years old; 67% (134) of Chinese consumers’ ages are 0-25, 24% (48) of Chinese consumers’ ages are 26-35, 2.5% (5) of Chinese consumers’ ages are 36-45, 2% (4) of Chinese consumers are older than 46 years old.

In Q3, 3.5% (7) of Swedish consumers’ education level are lower than junior high school or at junior high school level, 17% (34) of Swedish consumers’ education level are at senior high school, 11% (22) of Swedish consumers’ education level are at undergraduate level, 67.5% (135) of Swedish consumers’ education level are at master level or above; 1.5% (3) of Chinese consumers’ education level are lower than junior high school or at junior high school level, 9% (18) of Chinese consumers’ education level are at senior high school, 69% (138) of Chinese consumers’ education level are at undergraduate level, 20.5% (41) of Chinese consumers’ education level are at master level or above.

<table>
<thead>
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<th>Gender</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>28% (56)</td>
<td>48.5% (97)</td>
</tr>
<tr>
<td>Male</td>
<td>72% (144)</td>
<td>51.5% (103)</td>
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</table>

Table 4.1 Gender results from Swedish and Chinese respondents
Cheng & Xiaojing 2016

<table>
<thead>
<tr>
<th>Age</th>
<th>Swedish Consumer</th>
<th>Chinese consumer</th>
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<tr>
<td>-25</td>
<td>50% (100)</td>
<td>67% (134)</td>
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<td>26-35</td>
<td>42.5% (85)</td>
<td>24% (48)</td>
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<td>36-45</td>
<td>4.5% (9)</td>
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<tr>
<td>46-45</td>
<td>3% (6)</td>
<td>2% (4)</td>
</tr>
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Table 4.2 Age results from Swedish and Chinese respondents
Cheng & Xiaojing 2016

<table>
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<tr>
<th>Education level</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>At junior high school level or below</td>
<td>3.5% (7)</td>
<td>1.5% (3)</td>
</tr>
<tr>
<td>At senior high school level</td>
<td>17% (34)</td>
<td>9% (18)</td>
</tr>
<tr>
<td>At undergraduate level</td>
<td>11% (22)</td>
<td>69% (138)</td>
</tr>
<tr>
<td>At master level or above</td>
<td>68.5% (137)</td>
<td>20.5% (41)</td>
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</tbody>
</table>

Table 4.3 Educational results from Swedish and Chinese respondents
Cheng & Xiaojing 2016
In Q4, the estimate exchange rate between Swedish Krone (SEK) and Chinese Yuan (CNY) is 1 SEK=0.8CNY, thus 5000SEK=4000CNY, 5001-10000SEK=4001-8000CNY, 10001-15000SEK=8001-12000CNY, 15001SEK=12000CNY. 21.5% (43) of Swedish consumers’ spending per month are lower than 5000SEK, 35.5% (71) of Swedish consumers’ spending per month are between 5001SEK to 10000SEK, 28.5% (57) of Swedish consumers’ spending per month are between 10001SEK to 15000SEK, 14.5% (29) of Swedish consumers’ spending per month are more than 15000SEK; 21.5% (43) of Chinese consumers’ spending per month are lower than 4000CNY, 35.5% (71) of Chinese consumers’ spending per month are 4001CNY to 8000CNY, 28.5% (57) of Chinese consumers’ spending per month are between 8001CNY to 12000CNY, 14.5% (29) of Chinese consumers’ spending per month are more than 12000CNY.

According to Table 4.4, it directly shows that Swedish respondents chose the options (1) - (4) almost equally, however, Chinese respondents chose the options mostly focused on (1) and (2). In addition, the average value of spending from Swedish respondents is 3.00, and the average value of spending from Chinese respondents is 1.73. Therefore, there is a significant difference between the options of spending from Swedish respondents and Chinese respondents.

<table>
<thead>
<tr>
<th>Spending per month</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) -5000SEK/-4000CNY</td>
<td>21.5% (43)</td>
<td>49.5% (99)</td>
</tr>
<tr>
<td>(2) 5001-10000SEK/4001-8000CNY</td>
<td>35.5% (71)</td>
<td>33% (66)</td>
</tr>
<tr>
<td>(3) 10001-15000SEK/8001-12000CNY</td>
<td>28.5% (57)</td>
<td>13% (26)</td>
</tr>
<tr>
<td>(4) 15001SEK-12001CNY-</td>
<td>14.5% (29)</td>
<td>4.5% (9)</td>
</tr>
<tr>
<td>Average</td>
<td>3.00 (10001-15000SEK/8001-12000CNY)</td>
<td>1.73 (5001-10000SEK/4001-8000CNY)</td>
</tr>
</tbody>
</table>

*Table 4.4 Spending results from Swedish and Chinese respondents*
*Cheng & Xiaojing 2016*

In Q5, 75.5.5% (151) of Swedish consumers are more inclined to consider only own intention, 22.5% (45) of Swedish consumers are considered both of own intention and others’ opinions, 2% (4) of Swedish consumers are more considered the others’ opinions; 36.5% (73) of Chinese consumers are more inclined to consider only own intention, 55.5% (111) of Chinese consumers are considered both of own intention.
and others’ opinions, 8% (16) of Chinese consumers are more considered the others’ opinions.

<table>
<thead>
<tr>
<th>Decision making</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own intention</td>
<td>75.5% (151)</td>
<td>36.5% (73)</td>
</tr>
<tr>
<td>Both</td>
<td>22.5% (45)</td>
<td>55.5% (111)</td>
</tr>
<tr>
<td>Others’ opinion</td>
<td>2% (4)</td>
<td>8% (16)</td>
</tr>
</tbody>
</table>

*Table 4.5 Purchasing decision Gender results from Swedish and Chinese respondents*  
Cheng & Xiaojing 2016

### 4.2.2 Theoretical questions

Q6 to Q23 have measured the respondents’ feelings, attitudes and opinions on various conditions and how they evaluate price, product, place, promotion, service and overall brand impression of IKEA, Volvo and H&M. From Q6 to Q11 are designed to know how consumers evaluate IKEA. The result of options that chosen by Swedish consumers and Chinese consumers is showed in Table 4.6-4.11 as following:

In Q6, through Table 4.6, because of 13% of Swedish respondents and 5% of Chinese respondents chose *Agree* and *Strongly agree*, and 74% of Swedish respondents and 62% of Chinese respondents chose *Strongly disagree* and *Disagree*, the results from Swedish respondents and Chinese respondents are similar.

<table>
<thead>
<tr>
<th>The price of IKEA is acceptable</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>5% (10)</td>
<td>1.5% (3)</td>
</tr>
<tr>
<td>Disagree</td>
<td>7% (14)</td>
<td>3.5% (7)</td>
</tr>
<tr>
<td>Neutral</td>
<td>14% (28)</td>
<td>33% (66)</td>
</tr>
<tr>
<td>Agree</td>
<td>25% (50)</td>
<td>29% (58)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>49% (98)</td>
<td>33% (66)</td>
</tr>
</tbody>
</table>

*Table 4.6 Price evaluation on IKEA from Swedish and Chinese respondents*  
Cheng & Xiaojing 2016

In Q7, there is a big difference between Swedish and Chinese respondents, since most of Swedish respondents chose *Agree* and *Strongly agree* (82.5%), and most of Chinese respondents chose *Disagree* and *Strongly disagree* (52%).

<table>
<thead>
<tr>
<th>The products of IKEA are good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>3.5% (7)</td>
<td>3% (6)</td>
</tr>
<tr>
<td>Disagree</td>
<td>7% (14)</td>
<td>49% (98)</td>
</tr>
<tr>
<td>Neutral</td>
<td>7% (14)</td>
<td>25% (50)</td>
</tr>
<tr>
<td>Agree</td>
<td>69% (138)</td>
<td>21.5% (43)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>13.5% (27)</td>
<td>1.5% (3)</td>
</tr>
</tbody>
</table>

*Table 4.7 Product evaluation on IKEA from Swedish and Chinese respondents*
In Q8, because of half of Swedish respondents (49.5%) chose Agree, and half of Chinese respondents (48%) chose Neutral and 63%, there is a big difference between Swedish and Chinese respondents.

<table>
<thead>
<tr>
<th>The location of IKEA’s shopping stores is good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>3.5% (7)</td>
<td>3.5% (7)</td>
</tr>
<tr>
<td>Disagree</td>
<td>12% (24)</td>
<td>7.5% (15)</td>
</tr>
<tr>
<td>Neutral</td>
<td>21.5% (43)</td>
<td>48% (96)</td>
</tr>
<tr>
<td>Agree</td>
<td>49.5% (99)</td>
<td>25% (50)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>13.5% (27)</td>
<td>16% (32)</td>
</tr>
</tbody>
</table>

Table 4.8 Location of IKEA’s shopping stores from Swedish and Chinese respondents

In Q9, through Table 4.9, because of 8% of Swedish respondents and 9% of Chinese respondents chose Strongly disagree and Disagree, and 64.5% of Swedish respondents and 62.5% of Chinese respondents chose Agree and Strongly agree, the results from Swedish respondents and Chinese respondents are similar.

<table>
<thead>
<tr>
<th>The promotion of IKEA is good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>2% (4)</td>
<td>3.5% (7)</td>
</tr>
<tr>
<td>Disagree</td>
<td>6% (12)</td>
<td>5.5% (11)</td>
</tr>
<tr>
<td>Neutral</td>
<td>27.5% (55)</td>
<td>28.5% (57)</td>
</tr>
<tr>
<td>Agree</td>
<td>28.5% (57)</td>
<td>35.5% (71)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>36% (72)</td>
<td>27% (54)</td>
</tr>
</tbody>
</table>

Table 4.9 Promotion evaluation on IKEA from Swedish and Chinese respondents

In Q10, through Table 4.10, because of 5.5% of Swedish respondents and 5% of Chinese respondents chose Strongly disagree and Disagree, and 73.5% of Swedish respondents and 66.5% of Chinese respondents chose Agree and Strongly agree, the results from Swedish respondents and Chinese respondents are similar.

<table>
<thead>
<tr>
<th>The service of IKEA is satisfied</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>1.5% (3)</td>
<td>1.5% (3)</td>
</tr>
<tr>
<td>Disagree</td>
<td>4% (8)</td>
<td>3.5% (7)</td>
</tr>
<tr>
<td>Neutral</td>
<td>21% (42)</td>
<td>28.5% (57)</td>
</tr>
<tr>
<td>Agree</td>
<td>42.5% (85)</td>
<td>36.5% (73)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>31% (62)</td>
<td>30% (60)</td>
</tr>
</tbody>
</table>

Table 4.10 Satisfaction evaluation on the service of IKEA from Swedish and Chinese respondents
In Q11, through Table 4.11, because of 7.5% of Swedish respondents and 2.5% of Chinese respondents chose *Strongly disagree* and *Disagree*, and 83% of Swedish respondents and 78.5% of Chinese respondents chose *Agree* and *Strongly agree*, the results from Swedish respondents and Chinese respondents are similar.

<table>
<thead>
<tr>
<th>Overall impression on IKEA is good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>4% (8)</td>
<td>1.5% (3)</td>
</tr>
<tr>
<td>Disagree</td>
<td>3.5% (7)</td>
<td>1% (2)</td>
</tr>
<tr>
<td>Neutral</td>
<td>9.5% (19)</td>
<td>19% (38)</td>
</tr>
<tr>
<td>Agree</td>
<td>39.5% (79)</td>
<td>42% (84)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>43.5% (87)</td>
<td>36.5% (73)</td>
</tr>
</tbody>
</table>

*Table 4.11 Overall evaluation on IKEA from Swedish and Chinese respondents*

Q12 to Q17 are designed to know how consumers evaluate Volvo. The result of options that chosen by Swedish consumers and Chinese consumers is showed in Table 4.12-4.17 as following:

In Q12, there is a big difference between Swedish and Chinese respondents, since 35.5% of Swedish respondents chose *Strongly disagree* and *Disagree*, 43% Swedish respondents chose *Neutral*, 21.5% of Swedish respondents chose *Agree* and *Strongly agree*, and most of Chinese respondents chose *Neutral*, *Disagree* and *Strongly disagree*, which occupied 37.5% (*Neutral*) and 57% (*Agree* and *Strongly agree*).

<table>
<thead>
<tr>
<th>The price of Volvo is acceptable</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>7% (14)</td>
<td>1% (2)</td>
</tr>
<tr>
<td>Disagree</td>
<td>28.5% (57)</td>
<td>4.5% (9)</td>
</tr>
<tr>
<td>Neutral</td>
<td>43% (86)</td>
<td>37.5% (75)</td>
</tr>
<tr>
<td>Agree</td>
<td>7% (14)</td>
<td>31% (62)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>14.5% (29)</td>
<td>26% (52)</td>
</tr>
</tbody>
</table>

*Table 4.12 Price evaluation on Volvo from Swedish and Chinese respondents*

In Q13, through Table 4.13, because of 5.5% of Swedish respondents and 2.5% of Chinese respondents chose *Strongly disagree* and *Disagree*, and 80.5% of Swedish respondents and 70.5% of Chinese respondents chose *Agree* and *Strongly agree*, the results from Swedish respondents and Chinese respondents are similar.

<table>
<thead>
<tr>
<th>The products of Volvo are good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>2% (4)</td>
<td>1% (2)</td>
</tr>
<tr>
<td>Disagree</td>
<td>3.5% (7)</td>
<td>1.5% (3)</td>
</tr>
</tbody>
</table>
In Q14, through Table 4.14, since 28% of Swedish respondents and 7.5% of Chinese respondents chose *Strongly disagree* and *Disagree*, 28.5% of Swedish respondents and 43.5% of Chinese respondents chose *Neutral*, and 40.5% of Swedish respondents and 49% of Chinese respondents chose *Agree* and *Strongly agree*, there is a big difference between Swedish and Chinese respondents.

<table>
<thead>
<tr>
<th>The location of Volvo’s shopping stores is good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>7% (14)</td>
<td>1.5% (3)</td>
</tr>
<tr>
<td>Disagree</td>
<td>14% (28)</td>
<td>6% (12)</td>
</tr>
<tr>
<td>Neutral</td>
<td>28.5% (57)</td>
<td>43.5% (87)</td>
</tr>
<tr>
<td>Agree</td>
<td>42.5% (85)</td>
<td>25% (50)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>8% (16)</td>
<td>24% (48)</td>
</tr>
</tbody>
</table>

*Table 4.14 Location of Volvo’s shopping stores from Swedish and Chinese respondents*  
*Cheng & Xiaojing 2016*

In Q14, through Table 4.15, since 35.5% of Swedish respondents and 7.5% of Chinese respondents chose *Strongly agree* and *Agree*, 28.5% of Swedish respondents and 43.5% of Chinese respondents chose *Neutral*, and 40.5% of Swedish respondents and 49% of Chinese respondents chose *Disagree* and *Strongly disagree*, there is a big difference between Swedish and Chinese respondents.

<table>
<thead>
<tr>
<th>The promotion of Volvo is good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>0.5% (1)</td>
<td>1.5% (3)</td>
</tr>
<tr>
<td>Disagree</td>
<td>7% (14)</td>
<td>7% (14)</td>
</tr>
<tr>
<td>Neutral</td>
<td>14% (28)</td>
<td>42% (84)</td>
</tr>
<tr>
<td>Agree</td>
<td>35.5% (71)</td>
<td>23% (46)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>43% (86)</td>
<td>26.5% (53)</td>
</tr>
</tbody>
</table>

*Table 4.15 Promotion evaluation on Volvo from Swedish and Chinese respondents*  
*Cheng & Xiaojing 2016*

In Q16, through Table 4.16, since 1.5% of Swedish respondents and 3.5% of Chinese respondents chose *Strongly agree* and *Agree*, 64.5% of Swedish respondents and 40% of Chinese respondents chose *Neutral*, and 34% of Swedish respondents and 56% of Chinese respondents chose *Disagree* and *Strongly disagree*, there is a big difference between Swedish and Chinese respondents.
The service of Volvo is satisfied | Swedish consumer | Chinese consumer |
---|---|---|
Strongly disagree | 0.5% (1) | 1.5% (3) |
Disagree | 1% (2) | 2.5% (5) |
Neutral | 64.5% (129) | 40% (80) |
Agree | 21% (42) | 28% (56) |
Strongly agree | 13% (26) | 28% (56) |

*Table 4.16 Satisfaction evaluation on the service of Volvo from Swedish and Chinese respondents*  
*Cheng & Xiaojing 2016*

In Q17, through Table 4.17, since 4% of Swedish respondents and 3% of Chinese respondents chose *Strongly agree* and *Agree*, 6.5% of Swedish respondents and 30% of Chinese respondents chose *Neutral*, and 89.5% of Swedish respondents and 67% of Chinese respondents chose *Disagree* and *Strongly disagree*, there is a big difference between Swedish and Chinese respondents.

| Overall impression on Volvo is good | Swedish consumer | Chinese consumer |
---|---|---|
Strongly disagree | 0.5% (1) | 2% (4) |
Disagree | 3.5% (7) | 1% (2) |
Neutral | 6.5% (13) | 30% (60) |
Agree | 64.5% (129) | 31.5% (63) |
Strongly agree | 25% (50) | 35.5% (71) |

*Table 4.17 Overall evaluation on Volvo from Swedish and Chinese respondents*  
*Cheng & Xiaojing 2016*

Q18 to Q23 are designed to know how consumers evaluate H&M. The result of options that chosen by Swedish consumers and Chinese consumers is showed in Table 4.18-4.23 as following:

In Q18, through Table 4.18, because of 9% of Swedish respondents and 1.5% of Chinese respondents chose *Strongly disagree* and *Disagree*, 27.5% of Swedish respondents and 28.5% of Chinese respondents chose *Neutral*, and 63.5% of Swedish respondents and 70% of Chinese respondents chose *Agree* and *Strongly agree*, the results from Swedish respondents and Chinese respondents are similar.

| The price of H&M is acceptable | Swedish consumer | Chinese consumer |
---|---|---|
Strongly disagree | 7% (14) | 1% (2) |
Disagree | 2% (4) | 0.5% (1) |
Neutral | 27.5% (55) | 28.5% (57) |
Agree | 27.5% (55) | 29% (58) |
Strongly agree | 36% (72) | 41% (82) |

*Table 4.18 Price evaluation on H&M from Swedish and Chinese respondents*  
*Cheng & Xiaojing 2016*
In Q19, through Table 4.19, because of 21% of Swedish respondents and 28% of Chinese respondents chose *Strongly disagree* and *Disagree*, 57% of Swedish respondents and 42% of Chinese respondents chose *Neutral*, and 22% of Swedish respondents and 30% of Chinese respondents chose *Agree* and *Strongly agree*, the results from Swedish respondents and Chinese respondents are similar.

<table>
<thead>
<tr>
<th>The products of H&amp;M are good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>14% (28)</td>
<td>9.5% (19)</td>
</tr>
<tr>
<td>Disagree</td>
<td>7% (14)</td>
<td>18.5% (37)</td>
</tr>
<tr>
<td>Neutral</td>
<td>57% (114)</td>
<td>42% (84)</td>
</tr>
<tr>
<td>Agree</td>
<td>21.5% (43)</td>
<td>25% (50)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>0.5% (1)</td>
<td>5% (10)</td>
</tr>
</tbody>
</table>

*Table 4.19 Product evaluation on H&M from Swedish and Chinese respondents\[Cheng & Xiaojing 2016\]*

In Q20, through Table 4.20, because of 21% of Swedish respondents and 28% of Chinese respondents chose *Strongly disagree* and *Disagree*, 57% of Swedish respondents and 42% of Chinese respondents chose *Neutral*, and 22% of Swedish respondents and 30% of Chinese respondents chose *Agree* and *Strongly agree*, the results from Swedish respondents and Chinese respondents are a little different.

<table>
<thead>
<tr>
<th>The location of H&amp;M’s shopping stores are good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>0.5% (1)</td>
<td>2.5% (5)</td>
</tr>
<tr>
<td>Disagree</td>
<td>3% (6)</td>
<td>1% (2)</td>
</tr>
<tr>
<td>Neutral</td>
<td>7% (14)</td>
<td>15.5% (31)</td>
</tr>
<tr>
<td>Agree</td>
<td>64.5% (129)</td>
<td>29% (58)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>25% (50)</td>
<td>52% (104)</td>
</tr>
</tbody>
</table>

*Table 4.20 Location of H&M’s shopping stores from Swedish and Chinese respondents\[Cheng & Xiaojing 2016\]*

In Q21, through Table 4.21, because of 14% of Swedish respondents and 4.5% of Chinese respondents chose *Strongly disagree* and *Disagree*, 14% of Swedish respondents and 26.5% of Chinese respondents chose *Neutral*, and 72% of Swedish respondents and 69% of Chinese respondents chose *Agree* and *Strongly agree*, the results from Swedish respondents and Chinese respondents are little different between the options of *Strongly disagree*, *Disagree* and *Neutral*.

<table>
<thead>
<tr>
<th>The promotion of H&amp;M is good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>7% (14)</td>
<td>3% (6)</td>
</tr>
<tr>
<td>Disagree</td>
<td>7% (14)</td>
<td>1.5% (3)</td>
</tr>
<tr>
<td>Neutral</td>
<td>14% (28)</td>
<td>26.5% (53)</td>
</tr>
<tr>
<td>Agree</td>
<td>50% (100)</td>
<td>25.5% (51)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>22% (44)</td>
<td>43.5% (87)</td>
</tr>
</tbody>
</table>

Table 4.21 Promotion evaluation on H&M from Swedish and Chinese respondents
Cheng & Xiaojing 2016

In Q22, through Table 4.22, because of 22.5% of Swedish respondents and 6.5% of Chinese respondents chose Strongly disagree and Disagree, 42% of Swedish respondents and 40% of Chinese respondents chose Neutral, and 35.5% of Swedish respondents and 53% of Chinese respondents chose Agree and Strongly agree, the results from Swedish respondents and Chinese respondents are different between the options of Strongly disagree, Disagree and Agree, Strongly agree.

<table>
<thead>
<tr>
<th>The service of H&amp;M is satisfied</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>14% (28)</td>
<td>1.5% (3)</td>
</tr>
<tr>
<td>Disagree</td>
<td>8.5% (17)</td>
<td>5.5% (11)</td>
</tr>
<tr>
<td>Neutral</td>
<td>42% (84)</td>
<td>40% (80)</td>
</tr>
<tr>
<td>Agree</td>
<td>34.5% (69)</td>
<td>25% (50)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>1% (2)</td>
<td>28% (56)</td>
</tr>
</tbody>
</table>

Table 4.22 Satisfaction evaluation on the service of H&M from Swedish and Chinese respondents
Cheng & Xiaojing 2016

In Q23, through Table 4.23, because of 7.5% of Swedish respondents and 4% of Chinese respondents chose Strongly disagree and Disagree, 14% of Swedish respondents and 34.5% of Chinese respondents chose Neutral, and 75.5% of Swedish respondents and 61.5% of Chinese respondents chose Agree and Strongly agree, the results from Swedish respondents and Chinese respondents are different between the options of Strongly disagree, Disagree, Neutral, Agree, and Strongly agree.

<table>
<thead>
<tr>
<th>Overall impression on H&amp;M is good</th>
<th>Swedish consumer</th>
<th>Chinese consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>0.5% (1)</td>
<td>1.5% (3)</td>
</tr>
<tr>
<td>Disagree</td>
<td>7% (14)</td>
<td>2.5% (5)</td>
</tr>
<tr>
<td>Neutral</td>
<td>14% (28)</td>
<td>34.5% (69)</td>
</tr>
<tr>
<td>Agree</td>
<td>50% (100)</td>
<td>34.5% (69)</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>28.5% (57)</td>
<td>27% (54)</td>
</tr>
</tbody>
</table>

Table 4.23 Overall evaluation on H&M from Swedish and Chinese respondents
Cheng & Xiaojing 2016
5. Analysis

In this chapter, the collected data is analyzed by testing hypotheses. The results will be explained with the help of theories presented in chapter 2, case descriptions and survey data in chapter 4. The first two hypotheses are respectively analyzed in individual case analysis part, while the rest hypotheses are verified in cross analysis.

5.1 Individual case analysis

5.1.1 IKEA

Spending & Price

Hypothesis 1: Consumer’s expense is positively related to price acceptation when they consume the same product.

Table 5.1.1 and table 5.1.2 respectively show the results of relation between variable Spending and variable price from Swedish respondents and Chinese respondents.

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

<table>
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<tr>
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</tr>
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<tr>
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<td>N</td>
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</table>

Table 5.1.1. Correlation results of spending and price in Swedish respondents

Cheng & Xiaojing 2016

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

<table>
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</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Table 5.1. Correlation results of spending and price in Chinese respondents
Cheng & Xiaojing 2016

Through table 5.1.1 and table 5.1.2, the results show out that the $r$ ($r$ means the value of correlation) from Swedish respondents is 0.841 and the $r$ from Chinese respondents is 0.778. 0.841 and 0.778 are both more than “0”. Thus, consumer’s spending is positively related to price acceptation for both Swedish respondents and Chinese respondents in case IKEA, which means the higher the respondent’s spending is, the possibility of he or she to buy an expensive product is higher. At the same time, the result turns out $r_r(0.841) > r_c(0.778)$ ($r_r=correlation result from Swedish respondents, r_c=correlation result from Chinese respondents$). This result shows that the Swedish respondents have higher positive relation between spending and price acceptability than Chinese respondents, means that if a Swedish and a Chinese have the same spending, then the Swedish has more possibility to buy a higher price product compared with the Chinese. D-value (Different value) = $r_r – r_c = 0.063$, 0.063 is quite small value, which means the results from Swedish and Chinese respondents are similar.

Furthermore, Burt, Johansson and Thelander (2011) pointed out that IKEA positioning low prices in Sweden, in China as well, however, the results from Swedish respondents and Chinese respondents are quite different. The reason that causes Swedish respondents have higher positive relation between spending and price can be concluded as the distinction between Swedish respondents’ spending and Chinese respondents’ spending. As showed in table 4.4 (page 36), the mean value of spending from Chinese respondents is 1.73 while the mean value of spending from Swedish respondents is 3.00, which is almost twice over the former.

The differences of spending (income) would cause different consumer behaviors (Frank and Boyd, 1965; Lee, 2007), additionally, Swedish and Chinese respondents have significant difference of their spending. IKEA noticed this difference and its pricing strategy does fit the situation. The strategy IKEA implemented in Sweden is “cutting prices and it has been a major part of the marketing strategy”. Though prices have been reduced by some 20% over the past 8 years in Sweden (Burt, Johansson & Thelander, 2011, p. 186)”, it still didn’t reach the strength as in Chinese market. In Chinese consumers’ view, “in the primary market area of the Shanghai store, the monthly household income of core customers is 6000 RMB. This is high by Chinese standards but not in the IKEA world (Burt, Johansson & Thelander, 2011, p. 186)”. Despite IKEA cuts its price largely, it is still expensive for Chinese consumers.

IKEA’s pricing strategy in China is conformed to adaptation pricing strategy (Doole and Lowe, 2011) as “slashing prices in China to the lowest in the world (Burt, Johansson & Thelander, 2011, p. 188)” and “Prices have fallen by at least 30% since 2003, and for some products the price has dropped as much as 90%. For example, IKEA’s single-seat Ektorp armchair retails for 112$ in China, 67% lower than in the
US (Burt, Johansson & Thelander, 2011, p. 189)”. Regarding to Doole and Lowe (2011) and Porter (1990), by operating the unique pricing strategy in China, IKEA obtains its competitive advantages to achieve business growth in Chinese market.

**Age & Promotion**

*Hypothesis 2: Consumer’s age is positively related to the evaluation on enterprise’s promotion and advertising.*

Table 5.1.3 and table 5.1.4 respectively show the results of relation between variable *age* and variable *promotion* from Swedish respondents and Chinese respondents.

<table>
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<th>Correlations</th>
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<tr>
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<tr>
<td>1</td>
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</tr>
<tr>
<td>Pearson</td>
<td>.716**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>200</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

*Table 5.1.3. Correlation results of age and promotion in Swedish respondents*  
Cheng & Xiaojing 2016

<table>
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<tr>
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<td>Pearson</td>
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<td></td>
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<tr>
<td>N</td>
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<td>1</td>
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<td>Pearson</td>
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<td>Sig. (2-tailed)</td>
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<td>N</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>

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

*Table 5.1.4. Correlation results of age and promotion in Chinese respondents*  
Cheng & Xiaojing 2016

Through table 5.1.3 and table 5.1.4, the results show out that the *r* from Swedish respondents is 0.716 and the *r* from Chinese respondents is 0.667. Since 0.716 and 0.667 are both more than “0”, which means consumer’s age is positively related to promotion for both Swedish respondents and Chinese respondents in case IKEA; when consumer’s age increases, the evaluation on IKEA’s promotion is better.
Meanwhile, Swedish respondents have higher positive relation between age and promotion than Chinese respondents because \( r_s(0.716) > r_c (0.667) \).

D-value = \( r_s - r_c = 0.049 \), the smaller the value difference is, the results of age and evaluation of promotion are more resemble between Swedish respondents and Chinese respondents. Although the value difference is small, the value of Chinese respondents is less than the one of Swedish. One reason of this may because Chinese old consumers get in touch with social media less than old Swedish consumers.

Based on previous research, age is one of the factors which effects on consumption patterns (Alalaakkola, 1996). Moreover, Burt, Johansson & Thelander (2011) stated that IKEA’s target market in Sweden is more focused on women, who are 20-49 years old, normally with children. Moreover, recently, 55+ age group who are living without children but having a good financial position are targeted by IKEA as well. However, the target group in China is quite different, who are aged 25-35.

Furthermore, the promotion of IKEA in Sweden is diversity. Youthful, different, fun and surprising can be entirely included (Burt, Johansson & Thelander, 2011). Because the range of target customers’ age is wide, diversity becomes the core attitude of its promotion.

For promoting in China, IKEA has several ways of promotion, such as running advertising campaigns through TV, newspaper and print media (Burt, Johansson & Thelander, 2011). But the theme of promotion is unitary, which is not as diversity as it does in Sweden. Though, IKEA invites Chinese consumers to Sweden, lets them know more about this firm, this kind of campaign is limited and only suitable for young persons.

Product

The mean value of Swedish respondents evaluating on IKEA’s product is 3.575, and the mean value of Chinese respondents evaluating on IKEA’s product is 2.695. Since the D-value is “0.88”, there is a big difference between the results of Swedish respondents and Chinese respondents, which illustrates Swedish respondents are more satisfied with IKEA’s products than Chinese respondents. This is attributed to the differences of physiology, knowledges and aesthetics between Swedish and Chinese.

Burt, Johansson & Thelander (2011) discussed that Swedish have extensive knowledge about IKEA - the products, stores and the company, and most Swedish have experienced IKEA for generations. “This, from a company perspective, presents a recognized challenge – as IKEA has, for some, become associated with ‘boring’ furnishing styles popular with older generations (Burt, Johansson & Thelander, 2011, p. 186)”. For breaking the barrier of differences and catering to Chinese consumers, IKEA have developed their product strategy in China. As Burt, Johansson and Thelander (2011) described IKEA’s product strategy in China as “Currently, in mainland China, as well as in Hong Kong, the beds sold are shorter (190 cm) than
standard-sized beds (200 cm), although this is under review. Many Chinese live in apartments with balconies and this space is very important to the Chinese. Consequently, IKEA has provided a ‘room’ setting in the store which show how a balcony can be furnished, and a special balcony section exists in the stores (Burt, Johansson & Thelander, 2011, p. 189).”, which creating room settings are relevant to Chinese consumers, since most of Chinese are living in small apartments. It makes the store in Shanghai quite different with the store in Malmo. By this strategy, it suits the theory of catering consumers by diversifying products create new opportunities for business growth (Penrose & Pitelis 2009; Rugman, 1979), which allows IKEA bringing different but suited goods to Chinese consumers.

**Place**

The mean value of Swedish respondents evaluated on *place* is 3.58, and the mean value of Chinese respondents evaluate on *place* is 3.43. The result is relatively similar, however, the strategies in Sweden and Chinese are much different. Burt, Johansson & Thelander (2011) claimed that IKEA stores are located outside city centers in Sweden, which pointed out the target consumers are who using their cars to travel to the stores. On the contrary, the IKEA stores in China are mostly located in city centers since the low level of car access blocked the possibility of being located out of city. It is also the reason why Chinese consumers rely on public transport for home delivery services.

**Service**

The mean value of Swedish respondents evaluated on *service* is 3.975, and the mean value of Chinese respondents evaluate on *place* is 3.900. Though the survey results and mean values have no significant difference, the strategies of IKEA in Sweden and China have distinctions.

As Burt, Johansson & Thelander (2011) described, the IKEA stores in Sweden have been relatively small in many places which are difficult to expose customers to the full width and depth of the assortment. Newer (and larger) stores are built, thus customers are allowed to access to the full range of IKEA products. IKEA layouts the DIY element of concept which enables consumers to collect their flat packs and pay a low price for in return. For delivery, IKEA Sweden requires the fee of service. Customer Satisfaction Index showed that Swedish consumers complained about waiting time and stock availability.

In China, the shopping experience is different. Consumers have the right to touch products, so that there are people sleeping on the beds, having a nap on the sofa or reading books with their feet on a table. It might be strange, but IKEA wants to let people feel “being at home”. Comparing to the DIY element in IKEA Sweden, there is no DIY concept in IKEA China. This may be due to Chinese do not have DIY culture. Additionally, Swedish believe in individualism while Chinese believe in collectiveness, which results in Swedish prefer DIY to make their personal belongings
more special and unique. For delivery service, IKEA provides the service to consumers as well as in China, whereas the fee is at a low level.

Furthermore, IKEA own Customer Satisfaction Index in China showed that Chinese consumers satisfaction levels about expectation of service and shopping experience are lower than average. Since marketing support services are the additional value accompanied with core products in order to providing consumer satisfaction, which includes delivery, after-sales service and guarantees (Kotler, 2002), and regarding to the results of survey and IKEA own Customer Satisfaction Index, both of the consequences reflected Chinese consumers are less satisfied with IKEA’s service than Swedish consumers which may be caused by lack of delivery, after-sales service or guarantees in Chinese market.

**Overall impression**

The mean value of Swedish respondents’ overall evaluation on IKEA is 3.58, and the mean value of Chinese respondents’ overall evaluation on IKEA is 3.43. The results from Swedish respondents and Chinese respondents are relatively similar. As mentioned by analyzing IKEA’s products, promotion and brand positioning, IKEA has quite different strategies in Swedish and Chinese market for satisfying different requirements from Swedish and Chinese consumers. The different strategies are practicable perceived by consumers, which is reflected by respondents’ survey results.

### 5.1.2 Volvo

**Spending & Price**

*Hypothesis 1: Consumer’s expense is positively related to price acceptation when they consume the same product.*

Table 5.2.1 and table 5.2.2 respectively show the results of relation between variable Spending and variable price from Swedish respondents and Chinese respondents.

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<td>.000</td>
<td></td>
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**. Correlation is significant at the 0.01 level (2-tailed).

*Table 5.2.1. Correlation results of spending and price in Swedish respondents*

Cheng & Xiaojing 2016
** Correlations

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<td>200</td>
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</tbody>
</table>

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

*Table 5.2. Correlation results of spending and price in Chinese respondents

Cheng & Xiaojing 2016

Through table 5.2.1 and table 5.2.2, the results show out that the $r$ ($r$ means the value of correlation) from Swedish respondents is 0.894 and the $r$ from Chinese respondents is 0.833. 0.894 and 0.833 are both more than “0”, which means consumer’s spending is positively related to price acceptation for both Swedish respondents and Chinese respondents in case Volvo. At the same time, the result turns out $r_s(0.894)>r_c(0.833)$ ($r_s$=correlation result from Swedish respondents, $r_c$=correlation result from Chinese respondents). This result shows that the Swedish respondents have higher positive relation between spending and price acceptability than Chinese respondents, means that if a Swedish and a Chinese have the same spending, then the Swedish has more possibility to buy a higher price product compared with the Chinese. D-value (Different value) = $r_s – r_c = 0.061$, 0.061 is quite small value, which means the results from Swedish and Chinese respondents are similar.

As showed in table 4.4, page 36, the mean of spending from Chinese respondents is 1.73 while the mean value of spending from Swedish respondents is 3.00, which is almost twice over the former. Though the variable of Spending is quite different from Swedish and Chinese respondents, there is no big different between the values of correlation between Swedish and Chinese respondents. The reason causing the results from Chinese and Swedish respondents are similar, yet the pricing strategies in China and Sweden are different.

The position of an enterprise and its product, cost structures, product development, shipping costs, consumers’ perceptions, promotional adaption, governmental factors are the factor which influence on pricing decision in international market (Doole & Lowe, 2011). As Samama and Vega (2010) claimed that Volvo’s brand positioning in Swedish market is “family” style, which implies the price is reasonable and popular. It is acceptable for most of Swedish consumers. However, Volvo’s brand positioning in Chinese market is “luxury”, which implies the price strategy of Volvo in Chinese market is expensive and targeted on wealthy. Thus, in this case, the different position...
of products, product development and governmental factors are the main influencing elements of Volvo’s different pricing strategies in Swedish and Chinese markets.

Despite the spending from Swedish and Chinese respondents are different, based on different price strategies and brand positioning in Swedish market and Chinese market, the prices of Volvo are both acceptable by Swedish and Chinese consumers.

**Age & Promotion**

*Hypothesis 2: Consumer’s age is positively related to the evaluation on enterprise’s promotion and advertising.*

Table 5.2.3 and table 5.2.4 respectively show the results of relation between variable *age* and variable *promotion* from Swedish respondents and Chinese respondents.

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</table>

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

*Table 5.2.3 Correlation results of age and promotion in Swedish respondents*

*Cheng & Xiaojing 2016*

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</tr>
</tbody>
</table>

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

*Table 5.2.4 Correlation results of age and promotion in Chinese respondents*

*Cheng & Xiaojing 2016*

Through table 5.2.3 and table 5.2.4, the results show out that the *r* from Swedish respondents is 0.680 and the *r* from Chinese respondents is 0.746. 0.680 and 0.746 are
both more than “0”, which means consumer’s age is positively related to promotion for both Swedish respondents and Chinese respondents in case Volvo; when consumer’s age increases, the evaluation on IKEA’s promotion is better. Meanwhile, Swedish respondents have lower positive relation between age and promotion than Chinese respondents because $r_{c}(0.680) < r_{c}(0.746)$.

D-value = $r_{s} - r_{c} = -0.066$, the smaller the value difference is, the results of age and evaluation of promotion are more resemble between Swedish respondents and Chinese respondents. However, the average value of age from Swedish respondents is 1.605, and the mean value of age from Chinese respondents is 1.440. The mean value of promotion perception from Swedish respondents is 4.135, and the mean value of promotion perception from Chinese respondents is 3.66. The results show out that in Swedish respondents, the older consumers are, the higher promotion perception than Chinese respondents.

In the Volvo case study, there is no significant differences of age in target audiences in Swedish and Chinese consumers, therefore, in the statistical results, older Swedish respondents have better promotion perception than Chinese respondents, which indicated Volvo should pay more consideration of the promoting strategy on younger consumers in Swedish market, and pay more consideration of the promoting strategy on older consumers in Chinese market.

**Product**

The mean value of Swedish respondents evaluating on Volvo’s product is 4.130, and the mean value of Chinese respondents evaluating on Volvo’s product is 4.095. Since the D-value is “0.035”, there is no big difference between the results of Swedish respondents and Chinese respondents, which illustrates Swedish respondents and Chinese respondents are both satisfied with Volvo’s products. This is attributed to Volvo’s product positioning - “safety” and product diversification.

As Smith and Park (1992) stated that brand building is important in every section of production and promoting of products, which means the way or the strategy promoting product and branding is essential for a firm. The most significant feature of Volvo’s cars is safety, which is the main selling point of Volvo as well. In addition, many of researchers found out that product diversification may create a number of advantages (Ramanujam & Varadarajan, 1989). Volvo has several series of products in both Swedish market and Chinese market, such as series V, series S, series C and series XC, which is for achieving product diversification, at the same time, satisfying consumers’ different requirement.

Furthermore, regarding to Volvo case description - “The factories in China are working entirely according to Volvo Cars manufacturing standards and procedures - the same as in European factories.”, which implies the products of Volvo have uniform standardization in both Swedish and Chinese markets.
Based on this point, it illustrates the reason why Volvo’s products obtained similar evaluation from Swedish and Chinese respondents.

**Place**

The mean value of Swedish respondents evaluated on place is 3.305, and the mean value of Chinese respondents evaluate on place is 3.640. The results are relatively similar, since there is no specific case description related to Volvo sales stores’ location, the way of Volvo sales stores locating strategies in Sweden and China might be similar.

**Service**

The mean value of Swedish respondents evaluated on service is 3.450, and the mean value of Chinese respondents evaluate on place is 3.785.

The survey results and mean values have no significant difference, it might by caused by Volvo having similar service in Swedish and Chinese market, such as delivery, after-sales service, guarantees and 4S system.

**Overall impression**

The mean value of Swedish respondents evaluated on overall impression of Volvo is 4.100, and the mean value of Chinese respondents evaluate on overall impression of Volvo is 3.975, which turned out the results from Swedish respondents and Chinese respondents are relatively coincident, and obtained quite high evaluation.

As mentioned by analyzing Volvo’s products, though the product strategies are different in Swedish and Chinese markets, the overall promotion and brand positioning are almost the same. Volvo is mainly asserting “safety, quality and environment” in both Swedish and Chinese market, which is practicable perceived by consumers, consistent overall strategy is reflected by respondents’ survey results as well.

**5.1.3 H&M**

**Spending & Price**

*Hypothesis 1: Consumer’s expense is positively related to price acceptation when they consume the same product.*

Table 5.3.1 and table 5.3.2 respectively show the results of relation between variable *Spending* and variable *price* from Swedish respondents and Chinese respondents.
**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.3.1. Correlation results of spending and price in Swedish respondents
Cheng & Xiaojing 2016

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<td>N</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.3.2. Correlation results of spending and price in Chinese respondents
Cheng & Xiaojing 2016

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<td>N</td>
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</table>

Through table 5.3.1 and table 5.3.2, the results show out that the $r$ (r means the value of correlation) from Swedish respondents is 0.840 and the r from Chinese respondents is 0.753. 0.894 and 0.833 are both more than “0”. Thus, consumer’s spending is positively related to price acceptation for both Swedish respondents and Chinese respondents in case IKEA, which means the higher the respondent’s spending is, the possibility of he or she to buy an expensive product is higher. At the same time, the result turns out $r_s(0.840) > r_c(0.753)$ ($r_s$=correlation result from Swedish respondents, $r_c$=correlation result from Chinese respondents). This result shows that the Swedish respondents have higher positive relation between spending and price acceptability than Chinese respondents, means that if a Swedish and a Chinese have the same spending, then the Swedish has more possibility to buy a higher price product compared with the Chinese. D-value (Different value) = $r_s - r_c = 0.087$, 0.087 is a little big value, which means the results from Swedish and Chinese respondents are a little different.

As showed in table 4.4, page 36, the mean of spending from Chinese respondents is 1.73 while the mean value of spending from Swedish respondents is 3.00, which is
almost twice over the former. Since the variable of Spending is quite different from Swedish and Chinese respondents, there is little different between the values of correlation between Swedish and Chinese respondents.

Though the price strategies of H&M in Swedish and Chinese markets are same - “low price and high fashion”. Since H&M outsources the production to countries where the labor cost is much lower than the others, H&M’s price is almost the same in all over the world, which adopted standardization pricing strategy (Doole and Lowe, 2011). Thus the reason causing the results of correlation are different that is mainly due to the different of spending between Swedish and Chinese respondents, since higher-income consumers and lower-income consumers behave differently while shopping the same goods (Goldman and Johansson, 1978; Ratchford, et al., 2003; Stigler, 1961; Punj, 2011).

Age & Promotion

Hypothesis 2: Consumer’s age is positively related to the evaluation on enterprise’s promotion and advertising.

Table 5.3.3 and table 5.3.4 respectively show the results of relation between variable age and variable promotion from Swedish respondents and Chinese respondents.

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<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1  .626**</td>
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<tr>
<td>Sig. (2-tailed)</td>
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<td>Pearson Correlation</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

Table 5.3.3 Correlation results of age and promotion in Swedish respondents

Cheng & Xiaojing 2016

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<tr>
<td>Pearson Correlation</td>
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<td>Sig. (2-tailed)</td>
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<td>Pearson Correlation</td>
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</table>
Correlation is significant at the 0.01 level (2-tailed).

Table 5.3.4 Correlation results of age and promotion in Chinese respondents
Cheng & Xiaojing 2016

Through table 5.3.3 and table 5.3.4, the results show out that the $r$ from Swedish respondents is 0.626 and the $r$ from Chinese respondents is 0.581. 0.626 and 0.581 are both more than “0”, which means consumer’s age is positively related to promotion for both Swedish respondents and Chinese respondents in case H&M; when consumer’s age increases, the evaluation on IKEA’s promotion is better. Meanwhile, Swedish respondents have higher positive relation between age and promotion than Chinese respondents because $r_{s}(0.626) > r_{c}(0.581)$. 

D-value = $r_{s} - r_{c} = -0.045$, the smaller the value difference is, the results of age and evaluation of promotion are more resemble between Swedish respondents and Chinese respondents. However, the average value of age from Swedish respondents is 1.605, and the mean value of age from Chinese respondents is 1.440. The mean value of promotion perception from Swedish respondents is 3.73, and the mean value of promotion perception from Chinese respondents is 4.05. The results show out that in Swedish respondents, the older consumers are, the higher promotion perception than Chinese respondents. 

In the H&M case study, there is no significant differences of age in target audiences in Swedish and Chinese consumers, since H&M’s target segment is women aging between 15 and 30 years in most of markets. Therefore, in the statistical results, older Swedish respondents have better promotion perception than Chinese respondents, which indicated H&M should pay more consideration of the promoting strategy on younger consumers in Swedish market, and pay more consideration of the strategy on older consumers in Chinese market. In addition, Kotler (2002) claimed marketing communication, as one of the promoting patterns, are the information delivery tools in international marketing which are playing an important role in digital media. The reason causing the mean value from Chinese respondents more than the mean value from Swedish respondents might be concluded as H&M has special promotion strategies online strategy in Chinese markets, such as “Weibo account” “Creative mobile initiative”, which makes H&M obtaining more popularity and high perception score and easily accepted.

Product

The mean value of Swedish respondents evaluating on H&M’s product is 2.875, and the mean value of Chinese respondents evaluating on H&M’s product is 2.975. Since the D-value is “0.100”, there is no big difference between the results of Swedish respondents and Chinese respondents, which illustrates Swedish respondents and Chinese respondents have similar evaluation on H&M’s products.

Furthermore, product benefits are the main elements for attracting consumers and
satisfying consumers, meanwhile, product attributes are the elements of core products which provide the features and specification of products. In this case, whether H&M’s products in Sweden, or the products in China, both of them are intending to provide customers with fashionable, high-quality clothing at the best price, and the categories of H&M’s clothing includes women’s casual, men’s business, children’s wear, footwear and accessories. Since H&M runs the similar product strategies in Swedish and Chinese markets, it explained the similar perception results from Swedish and Chinese respondents.

**Place**

The mean value of Swedish respondents evaluated on place is 4.105, and the mean value of Chinese respondents evaluate on place is 4.270. The results are relatively similar, since there is no specific case description related to H&M sales stores’ location, the way of H&M sales stores locating strategies in Sweden and China might be similar.

**Service**

The mean value of Swedish respondents evaluated on service is 3.000, and the mean value of Chinese respondents evaluate on place is 3.725, D-value=0.725. The survey results and mean values have a big difference, it was advanced indicating by the different strategies of H&M in Sweden and China.

The biggest different of H&M’s service might be the distinction of online strategy in Chinese market. Online shopping is very popular in China and has become in an important source of sales for most of the companies operating there. H&M has a strong online presence in the Chinese market, which also is supported by a strong system of delivery service and after-sales service for adding value on their products (Kotler, 2002). Thanks to e-commerce, brands have the chance to reach a vast number of Chinese consumers including cities where they do not have any retail shops. H&M pays more attention about the promotion and service in Chinese market than Swedish market, which leaded the Swedish and Chinese respondents have different opinion on H&M’s service.

**Overall impression**

The mean value of Swedish respondents evaluated on overall impression of H&M is 3.99, and the mean value of Chinese respondents evaluate on overall impression of H&M is 3.83, which turned out the results from Swedish respondents and Chinese respondents are relatively coincident, and obtained quite high evaluation.

As mentioned by analyzing H&M’s products and promotion, H&M is mainly asserting “fashion and low price” in both Swedish and Chinese markets, which is practicable perceived by consumers, consistent overall strategy is reflected by respondents’ survey results as well.
5.2 Cross analysis

*Hypothesis 1: Consumer’s spending is positively related to price acceptation when they consume the same product.*

Through the statistic results, they showed out that both Swedish respondents and Chinese respondents’ spending is positively related to price acceptation in case IKEA, Volvo and H&M. There are tiny differences between the results among to different cases, though the overall result examined that *Hypothesis 1* is acceptable.

Furthermore, comparing the value of correlation among to Swedish respondents and Chinese respondents on IKEA, VOLVO and H&M, it turns out that Swedish respondents have higher score than Chinese respondents in all of the three cases. The main reason is caused by the distinction of spending (income), which was explained by Frank and Boyd (1965) as lower-income consumers have higher sensitive on price.

*Hypothesis 2: Consumer’s age is positively related to the evaluation on enterprise’s promotion and advertising.*

Through the statistic results, they showed out that both Swedish respondents and Chinese respondents’ ages are positively related to promotion in case IKEA, Volvo and H&M. There are tiny differences between the results among to different cases, though the overall result examined that *Hypothesis 2* is acceptable.

Comparing the value of correlation among to Swedish respondents and Chinese respondents on IKEA, Volvo and H&M, it turns out that Swedish respondents have higher score than Chinese respondents in case IKEA, however Swedish respondents have lower value in case Volvo and H&M. The reason is caused by IKEA have a wild aging range of target consumers in Swedish market but narrow aging range of target consumers in Chinese. Nevertheless, Volvo and H&M’s aging range of target consumers are general in bot Swedish and Chinese markets.

*Hypothesis 3: Swedish consumers’ perception of Swedish products are better than Chinese consumers’ perception of Swedish products.*

In the survey, the objective is to know how both Swedish and Chinese consumers perceive Swedish large MNEs performance and their evaluation on it. No matter whether the respondents purchased products from the three certain companies or not, their evaluation still plays an important role. The reason of this is evaluation could be divided as before and after consumers’ purchasing decision, evaluation of alternative and post-purchase evaluation (Blythe, 2008; Kardes, et al., 2011). If a consumer’s evaluation of alternative is good, then he or she has a high potential to purchase the product. Meanwhile, if a consumer’s post-purchase evaluation is good, the loyalty to a certain product/brand could be cultivated.

What’s more, consumers do not necessarily pursue the highest quality as they
recognized when purchasing products. Instead, they would like to obtain the highest perceived value with price they were willing to pay (Zeithaml 1988; Dodds et al., 1991; Grewal et al., 1998). Thus, getting to know consumers’ evaluation is essential to improve companies’ strategies.

Comparing the overall evaluation of Swedish respondents and Chinese respondents on IKEA, VOLVO and H&M, it turns out that Swedish respondents choose higher score than Chinese respondents. This result confirms the hypothesis that Swedish consumers’ perception of Swedish products are better than Chinese consumers’ perception of Swedish products. This might be due to the nationality criteria: Swedish prefer Swedish products.

However, the average score of Chinese respondents is only around 0.15 less than the Swedish respondents. This shows that these three Swedish MNEs establish themselves well in China market.

**Hypothesis 4: Swedish consumers are individualists while Chinese consumers tend to be collectivists.**

In accordance with the result of the fifth question in the questionnaire, 75.5% of Swedish respondents are more inclined to consider their own intention while only 36.5% of Chinese respondents choose the same option. Obviously, the data collected by survey just match with the statement that Kim, Triandis, Kagiycibasi, Choi, and Yoon (1994) explained, Western individualist societies are based on the tenant of liberalism. Conversely, East Asian collectivist societies are based on Confucianism, which promotes common goals and social harmony over individual interests. In other word, Chinese tend to be more collective.

Therefore, the hypothesis that Chinese consumers are collectivists while Swedish consumers tend to be individualists is tested and verified.

**Hypothesis 5: Enterprises merchandise products with different levels of consumers’ involvement have different marketing strategies.**

According to Assaell (1987), it’s a high involvement product decision, which means complex decision making, when consumer buy automobiles and furniture. Obviously, high involvement decisions carry a higher risk to buyers if they fail, are complex, and/or have high price tags. By contrast, garment tend to be a low involvement decision.

Though the three companies merchandise distinct products with different level of consumer involvement, they all have very high market share within their own field in Sweden. Combining the three individual case studies, the common point of these three companies is approachability, which is the core element penetrating into all of their marketing strategies in Sweden. This core element takes full advantage of the convenience as a local brand and the overwhelming superiority of understanding the
native people.

However, some strategies were changed when they expanding market to China for adapting to the new market better. IKEA implemented its “cutting price” strategy in China more stepped-up than the strength in Sweden. In addition, low price strategy is carried by H&M through to the end. To compare with these two companies’ pricing strategy, Volvo’s strategy is altered for the most part. Volvo has completed the conversion of its positioning from a Swedish “family car” to a “luxury” car in China. The conversion is quite sensible because Volvo noticed the different economic levels and different income, then relocated its position to fit both the new market and its own value.
6. Conclusion and further research

In this chapter, the findings and the conclusions are discussed related to the research questions and hypotheses. The authors draw general conclusions and present the answers to the research questions. The implications are presented; finally, further research is presented as well.

6.1 Conclusion

After reviewing the existing literature and analyzing the findings from empirical data, combined with theories the authors come up with the following conclusions. The purpose of this research is to investigate the differences between Swedish consumers and Chinese consumers of consumer behaviors on Swedish goods and the way for enhancing Swedish enterprises’ strategies in China market is expected to explore. Based on the purpose, two related research questions are answered and concluded as following:

“Q1: What are the differences between Chinese consumers and Swedish consumers evaluating same enterprises?”

The related theories indicated that products can be considered as the commercial presentations of heritage and culture, history, tradition and authenticity of a place, which is the consequence of consumers’ experience with the territory (Kolar and Zabkar, 2010; Morris and Kirwan, 2010). In particular, several researchers (Dimara and Skuras, 2003; van Ittersum et al., 2003; Mattiacci and Vignali, 2004; Skuras and Dimara, 2004; Chambers et al., 2007; Dekhili and d’Hauteville, 2009; Guerrero et al., 2009; Roth and Diamantopoulos, 2009) recognized that the value the consumers give to products is related to certain places or regions. Regarding to the results of survey, there are big differences between Swedish and Chinese respondents while they evaluating on IKEA's products and locations; there are big differences between Swedish and Chinese respondents while they evaluating on Volvo’s price, locations, promotion and service; there are relative differences between Swedish and Chinese respondents while they evaluating on H&M's locations, promotion and service. Combining with previous theories - different factors are involved in the perception of local products. In summary, comparing the overall evaluation of Swedish respondents and Chinese respondents on IKEA, VOLVO and H&M, it turns out that Swedish respondents choose higher score than Chinese respondents. This result examines the Hypothesis 3 that Swedish consumers’ perception of Swedish products are better than Chinese consumers’ perception of Swedish products, and confirms previous theories, meanwhile, it provides the difference between Chinese consumers and Swedish consumers evaluating same enterprises.
Based on the research from Kim, Triandis, Kagitcibasi, Choi, and Yoon (1994), they indicated Western individualist societies are based on the tenant of liberalism. In these societies individuals are encouraged to be rational and are given individual rights to define their own goals and choose freely. Conversely, East Asian collectivist societies are based on Confucianism, which promotes common goals and social harmony over individual interests. In this study, through the results of survey shows that most of Swedish respondents are intended to individualism and Chinese respondents are relatively intended to collectivism, which examines *Hypothesis 4* that Swedish consumers are individualists while Chinese consumers tend to be collectivists, and confirms previous theories, meanwhile, it provides a significant difference between Chinese and Swedish consumers’ consumer behaviors.

“*Q2: How Swedish large MNEs develop their strategies for adapting the distinctions of Chinese consumers?*”

Based on the analysis results, *Hypothesis 1* is examined: consumers’ expense and price acceptance are positively related in all of the three cases for both of Swedish and Chinese respondents.

Despite the correlation are similar from Swedish and Chinese respondents, due to the different personal factors, cultural factors and perceptions of Swedish and Chinese consumers, IKEA, Volvo and H&M operated differently in Swedish and Chinese markets. IKEA maintains low pricing strategies in both Swedish and Chinese markets, however, due to the distinctions of spending (income), IKEA cut more prices in Chinese market. The way of Volvo’s pricing strategies in Sweden and China are quite distinctive. Volvo sells goods as family style in Swedish market, yet as luxury style in Chinese market. By this way, the corporate position is changed but without cutting price, the reason of adopting these different strategies is based on the distinctions of spending (income) in Swedes and Chinese. H&M positions its pricing strategies as “low price” in all over the world, which causes there is no significant strategic distinctions in Swedish and Chinese markets.

Furthermore, *Hypothesis 2* is examined: consumers’ ages and enterprises’ promotion are positively related in all of the three cases for both of Swedish and Chinese respondents.

Since the correlation are similar Swedish respondents and Chinese respondents have no significant difference. However, IKEA, Volvo and H&M have different targeting age of audiences. IKEA targets on who are 20-49 years old and 55+ aged in Swedish market, but in China, who are 25-35. The correlation from Swedish respondents is higher than Chinese respondents, which is attributed to the different age range of target audience. In case Volvo, older Swedish respondents have better promotion perception than Chinese respondents, which indicated Volvo should pay more consideration of the promoting strategy on younger consumers in Swedish market, and pay more consideration of the promoting strategy on older consumers in Chinese
market. In case H&M, older Swedish respondents have better promotion perception than Chinese respondents, which indicated H&M should pay more consideration of the promoting strategy on younger consumers in Swedish market, and pay more consideration of the strategy on older consumers in Chinese market.

Overall, due to the significant distinction of spending and income between Swedish and Chinese, low-pricing strategy is certain maintainable in Chinese market. Due to the promoting strategies, it is a weakness to make Chinese target audiences’ ages such narrow, which should be developed. Beyond that, Swedish are more intended to individualism and Chinese are more intended to collectivism, which means Chinese consumers are more impacted by others’ opinions rather than Swedish consumers. Therefore, enterprises should pay more attention on the branding strategies in Chinese market, based on the difference of individualism-collectivism between Swedish and Chinese.

6.2 Limitation

The research objects are Swedish and Chinese consumers, as well as the research target is Swedish and Chinese markets. Since the output is based on comparing the consumer behaviors of Swedish and Chinese, which limited the application of this study narrowed in Chinese market.

On the other side, the successful marketing strategies using by enterprises that the authors concluded in this research is resulted by analyzing three Swedish large size multinational enterprises-IKEA, Volvo and H&M, therefore, the contribution of this study is useful and limited while enterprises meet these three conditions: the size of enterprise is large, the nationality of enterprise is Swedish and type of enterprise multinational.

Besides the limitation of research target and limitation of enterprises, not all of the factors related to consumer behaviors have been discussed, not all of the strategies have not been discussed either, this point will be discussed in Chapter 6.4.

Furthermore, since limitation of time and workload, the range of respondents are decided as 200 each from Sweden and China, the data is not sufficient enough, however, it will not affect the relevant of this research.

Finally, since IKEA, Volvo and H&M are from different industries, most effort of this research is generally, though the different industrial have been discussed yet not detailed, the output might not feasible in specific industry.

6.3 Further implication

IKEA, Volvo and H&M, as the leaders of Swedish large MNEs, they can be the fine examples due to their adjusted successful strategies in Swedish and Chinese markets. Even few pitfalls have been examined in this research. The successful strategies from
the authors’ research provided an applicable reference model for other enterprises. The similar enterprises, which conform Swedish large MNEs can use the successful strategies from IKEA, Volvo and H&M. The research results help following enterprises understanding how Swedish and Chinese consumer behaviors influence interact with MNEs’ strategies in China and enhancing their strategies in China as well.

Moreover, MNEs who are willing to extend their business in China or existed in Chinese market already should emulate the strengths and avoid the weaknesses which IKEA, Volvo and H&M have. At the meanwhile, for enhancing MNEs’ strategies in China, the authors gave appropriate suggestions in chapter 5, the experiences of the strengths and weaknesses gave hints to who want to sustaining develop in Chinese market in a long-term. The suggestions can be concluded as following:

Due to the different income level between Swedish and Chinese, IKEA and H&M maintain and even enhance low-price strategies in Chinese market which are accepted and positively reflected by Chinese respondents. Low-price strategies are available in Chinese market, however, Volvo adopt different pricing strategy which is opposite to IKEA and H&M, it altered its products as “family” in Swedish market to “luxury” in Chinese market, even makes such a success. Therefore, low-price strategies are not the only method for Swedish MNEs to enhance their strategies in Chinese market, the pricing strategies adopted in Chinese market are also influenced to be altered by the involvement of the product and the other factors. Since IKEA has narrow aging rang of target audiences in China, however, the statistic result and analysis showed out that IKEA should extend its age range of target audience (as Volvo and H&M do, they have general aging range of target audiences) for earning more Chinese customers; Volvo and H&M’s promoting strategies should be more youthful in Swedish market and pay more consideration on older Chinese customers. Therefore, the authors suggest that Swedish MNEs should keep the aging range of target audiences as wild as possible for avoiding the drain of potential consumers. Furthermore, referring to IKEA, Volvo and H&M, product diversity is a main point of enhancing MNE’ strategies for catering to Chinese consumers as well.

6.4 Further research

Recommendations for further research on the subject.

In order to increase the reliability, the further research should extend the number of respondents. Meanwhile, the strategies of different industrial distinctions should be explored and discussed more specifically.

Another suggestion on future research could be adding more factors of consumer behaviors in order to make the research result more impeccable.
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Swedish website for car statistics Bil Sweden (Last consulted the 29th of March): http://www.bilsweden.se/web/Nyregistreringar_per_ar.aspx?Guid=52d35a2c-d6a1-4291-aa92-6b872ccd66d4


Appendix 1

Questionnaire in English (for Swedish respondents)

The Evaluation of Swedish products

Thank you for participating in our research. The aim of this research is to investigate the differences between Swedish consumers and Chinese consumers of consumer behaviors on Swedish goods. Thus, this research is also expected to not only find the way of enhancing Swedish enterprises’ performances in China market, and to find the rule of Chinese consumers’ purchasing behavior, which could be taken as a reference for other enterprises.

The questions are divided into two parts. The first one is from Q1 to Q5, about some personal information. While the second part is from Q6 to Q23, these questions are about your impression of IKEA, VOLVO and H&M. Please choose the number that best captures your perspective.

Subjects respond to five-point Likert-type scales for all variables. These scales anchored at (1) Very Strongly disagree (2) Disagree (3) Neutral (4) Agree (5) Very strongly agree.

We guarantee you full anonymity.

Q1-Q5 Personal background

1. Gender
   - Male
   - Female

2. Age
   - 25
   - 26-35
   - 36-45
   - 46-

3. Education level
   - Lower than junior high school or junior high school
   - Senior high school
   - Undergraduate
   - Master or above
4. How much is your spending per month? (SEK)
   ○ -5000
   ○ 5001-10000
   ○ 10001-15000
   ○ 15001-

5. When you decided to buy goods, you are more inclined to consider only own intention or will be more considered the others' opinions?
   ○ Own intention
   ○ Both
   ○ Others’ opinion

Q6-Q11 IKEA

6. You think the price of IKEA’s products are acceptable.
   ○ Strongly disagree
   ○ Disagree
   ○ Neutral
   ○ Agree
   ○ Strongly agree

7. You think IKEA’s products are good.
   ○ Strongly disagree
   ○ Disagree
   ○ Neutral
   ○ Agree
   ○ Strongly agree

8. You think the location of IKEA’s shopping stores are good.
   ○ Strongly disagree
   ○ Disagree
   ○ Neutral
9. You think the IKEA’s advertising and promotions are nice.
   o Strongly disagree
   o Disagree
   o Neutral
   o Agree
   o Strongly agree

10. You are satisfied with IKEA’s service.
    o Strongly disagree
    o Disagree
    o Neutral
    o Agree
    o Strongly agree

11. You have a good overall impression on IKEA.
    o Strongly disagree
    o Disagree
    o Neutral
    o Agree
    o Strongly agree

Q12-Q17 Volvo

12. You think the price of Volvo’s products are acceptable.
    o Strongly disagree
    o Disagree
    o Neutral
13. You think Volvo’s products are good.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

14. You think the location of Volvo’s shopping stores are good.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

15. You think the Volvo’s advertising and promotions are nice.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

16. You are satisfied with Volvo’s service.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
17. You have a good overall impression on Volvo.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

Q18-Q23 H&M

18. You think the price of H&M’s products are acceptable.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

19. You think H&M’s products are good.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

20. You think the location of H&M’s shopping stores are good.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
21. You think the H&M’s advertising and promotions are nice.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

22. You are satisfied with H&M’s service.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree

23. You have a good overall impression on H&M.
   - Strongly disagree
   - Disagree
   - Neutral
   - Agree
   - Strongly agree
Appendix 2

Questionnaire in Chinese (for Chinese respondents)

说明

亲爱的参与者：我们是来自瑞典哈姆斯塔德大学的学生。此问卷对我们来说十分重要，因为它将作为我们论文的重要组成部分，所以请务必给我们真实正确的信息。我们论文的目的是通过分析中国顾客和瑞典顾客对瑞典大型跨国公司的看法和消费行为，使得它们更好地了解中国顾客。

我们的调查问卷共有 23 个问题，它分为两个部分。

第一部分 Q1 至 Q5 主要是个人信息包括：性别、年龄、教育水平、收入、个人消费习惯；

第二部分 Q6-Q23 是研究性问题。在这一部分中我们选择了宜家（Q6-Q11）、沃尔沃（Q12-Q17）和 H&M（Q18-Q23）作为调查对象，并且希望您能对这三个公司的产品价格、质量、产品定位等方面进行客观评价。我们将使用您的回答结果进行数据统计。

为了方便您的答题，我们选择李克特式量表利于您选择答案，这些选项分别为：

(1) 非常不赞同 (2) 不赞同 (3) 中立 (4) 赞同 (5) 非常赞同。

如果您有任何问题请发送电子邮件给我们。

chehan15@student.hh.se & xiagu15@student.hh.se

最后，感谢您参与我们的调查问卷。

Q1-Q5 个人信息

1. 性别
   ○ 男
   ○ 女

2. 年龄
   ○ -25
   ○ 26-35
   ○ 36-45
   ○ 46-
3. 教育程度
   - 初中学历及以下
   - 高中学历
   - 本科学历
   - 硕士学历及以上
4. 您每月的花费大概是多少？（元）
   - -5000
   - 5001-10000
   - 10001-15000
   - 15001-
5. 您在决定购买商品时，倾向于只考虑自己的意向还是更多考虑他人的意见？
   - 考虑自己的意向
   - 两者都有
   - 考虑他人的意见

Q6-Q11 宜家
6. 您觉得宜家的产品价格的定位很好。
   - 非常不同意
   - 不同意
   - 中立
   - 同意
   - 非常同意
7. 您觉得宜家的产品很好。
   - 非常不同意
   - 不同意
   - 中立
   - 同意
   - 非常同意
8. 您觉得宜家的购物地点很好。
9. 您觉得宜家的广告及宣传很好。
   - 非常不同意
   - 不同意
   - 中立
   - 同意
   - 非常同意

10. 您觉得宜家的服务很好。
    - 非常不同意
    - 不同意
    - 中立
    - 同意
    - 非常同意

11. 您对宜家的综合品牌印象很好。
    - 非常不同意
    - 不同意
    - 中立
    - 同意
    - 非常同意

Q12-Q17 沃尔沃

12. 您觉得沃尔沃的产品价格的定位很好。
非常不同意
不同意
中立
同意
非常同意
13. 您觉得沃尔沃的产品很好。
非常不同意
不同意
中立
同意
非常同意
14. 您觉得沃尔沃的购物地点很好。
非常不同意
不同意
中立
同意
非常同意
15. 您觉得沃尔沃的广告及宣传很好。
非常不同意
不同意
中立
同意
非常同意
16. 您觉得沃尔沃的服务很好。
非常不同意
17. 您对沃尔沃的综合品牌印象很好。
   - 非常不同意
   - 不同意
   - 中立
   - 同意
   - 非常同意

18. 您觉得H&M的产品价格的定位很好。
   - 非常不同意
   - 不同意
   - 中立
   - 同意
   - 非常同意

19. 您觉得H&M的产品很好。
   - 非常不同意
   - 不同意
   - 中立
   - 同意
   - 非常同意

20. 您觉得H&M的购物地点很好。
   - 非常不同意
21. 您觉得H&M的广告及宣传很好。
   - 非常不同意
   - 不同意
   - 中立
   - 同意
   - 非常同意

22. 您觉得H&M的服务很好。
   - 非常不同意
   - 不同意
   - 中立
   - 同意
   - 非常同意

23. 您对H&M的综合品牌印象很好。
   - 非常不同意
   - 不同意
   - 中立
   - 同意
   - 非常同意