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CONSUMER BELIEFS AND ATTITUDES TOWARD MARKETING: AN EMERGING MARKET PERSPECTIVE

ABSTRACT

The burgeoning consumerism in emerging market economies has significant implications for both multinational corporations and local companies. Based on a survey in four cities in China, this study examines the effect of consumer beliefs and attitudes towards marketing on satisfaction. The results suggest that attitudes towards marketing activities and their beliefs about marketing have significant effect on consumer satisfaction, but these effects are not uniform across marketing mix variables. Implications for future research and marketing operations in Emerging Markets are explored.

INTRODUCTION

Marketing research and practitioners have long been interested in the genesis of consumer values and beliefs about marketing and how they affect their experiences in the marketplace. Consumers' attitudes towards various marketing activities are important knowledge for successful marketing operations. Previous research suggests that consumer attitudes towards marketing vary greatly due to various demographic and psychographic factors, and that origins of consumer perceptions are their ethical ideologies, i.e., their core beliefs about marketing (Treise *et al* 1994). Although consumer attitudes toward marketing have been studied extensively in developed countries, limited research exists to shed light on this important subject in emerging market economies. Flourishing marketing activities and burgeoning consumerism in these markets have made understanding consumer attitudes toward marketing increasing important for both businesses and governments there

In emerging markets, economic reform and development have led to the emergence of a consumer society. Concomitant with the development of the consumer society comes a growing power of the consumers in the marketplace, evidenced by consumers' rising awareness of their rights and increasing readiness to engaging in disapproving behaviors such as protest and law suits against companies they consider unethical (Ho 2001). Although existing studies have found some differences in consumer attitudes toward marketing between developed economies and developing countries, research findings have been inconclusive. Moreover, the role of consumers' beliefs about marketing has received scanty treatment. It is not clear how these beliefs and attitudes affect consumer satisfaction. China, as one of the Big Emerging Markets (BEMs), provides a useful context for examining these issues. Therefore, in this study, we focus on the effect of consumer beliefs and attitudes on satisfaction, report the findings of a survey of consumers in China, and explore the implications for marketing management and future research.

LITERATURE REVIEW

Consumers' attitudes towards marketing activities are important from both a theoretical and a managerial standpoint. As consumer attitudes significantly affect their behavioral responses to marketing activities, knowledge of consumers' attitudes toward

marketing should aid in devising effective strategies for companies as well as developing regulations by government agencies to protect consumers' interests. Existing research has dealt with consumers' overall attitudes toward marketing as well as specific marketing activities such as advertising and pricing (Nwachukwu *et al* 199; Webster 1991). In general, researchers have focused on a central issue -- what causes the differences in consumers' attitudes toward marketing activities? For instance, Webster (1991) found significant differences in consumer attitudes toward various marketing practices including product quality, pricing, advertising, and retailing or selling; however, many of the differences remained even after social class and income effects were removed. Therefore, what factors cause the differences in consumers' attitudes and how they affect consumers' experience in the marketplace represent an important subject of investigation.

Meanwhile, several researchers investigated a number of other factors that may influence consumers' attitudes towards marketing. Nwachukwu *et al* (1997) studied the ethical judgments of advertising and marketing practitioners and found perceptions of individual autonomy, consumer sovereignty, and the nature of the product played a significant role in terms of the ethical judgments of advertising. Treise *et al* (1994) examined the perceptions of familiar advertising controversies: targeting practices and message strategies. Their results show that consumers believe advertising often violates broad ethical norms. In addition, the degree to which consumers judge advertising as ethical or unethical varies as a function of their relativism and idealism (Treise *et al* 1994).

Although consumer attitudes towards various marketing activities have been studied in developed economies (Barksdale *et al.* 1982; Webster 1991), studies of consumerism in emerging markets have become increasingly important. In emerging market economies, after decades in a seller's market that was under-supplied, consumers have embraced with enthusiasm many marketing practices new to them, such as television advertising and celebrity endorsement. Although the transition has been mostly beneficial, cases of questionable marketing practices and consumer discontent have been more frequent. Meanwhile, Government regulations, public policy and legal infrastructure for protecting the consumers' interests are under-developed. Consumerism is still at the developing stage, and consumers are less experienced in protecting their rights and interests (Ho 2001).

Because of the rapid growth in the globalization of business in various regions of the

world, rigorous measures of consumer sentiment toward marketing for cross-cultural comparison are needed (Chan, Yau and Chan 1990). One of the important research questions is the relationship between the level of economic development and consumer attitudes toward marketing. Some believe that with less experience than those in developed economies, consumers from industrializing markets may have more favorable attitudes toward various marketing activities (Ho 2001). Several studies confirmed such a proposition. Wee and Chan (1989) examined consumer sentiment in Hong Kong toward marketing practice by measuring attitudes toward the four components of the marketing mix - product, price, advertising, and retailing. The results showed a more favorable consumer sentiment toward marketing than did a previous study in the United States. Wee and Chan offered two possible reasons as to why marketing is doing better in Hong Kong than in the U.S.: either the US population was basically more skeptical toward marketing, or marketers in Hong Kong were indeed faring better than their counterparts in the US. In another cross-cultural comparative study, Chan, Yau and Chan (1990) found that Australian consumers were unfavorable in their attitudes toward marketing while Hong Kong consumers' attitudes were more favorable. Thus, they suggest the proposition that consumer sentiment is positively related to the stage of economic development seems to be in doubt.

However, in a consumer study in India, an industrializing country, Varadarajan and Thirunarayana (1990) examined consumers' attitudes toward marketing practices, consumerism, and government regulations. They found a high level of consumer skepticism regarding the operating philosophy of business, discontent with marketing practices, and support for the consumer movement and greater government regulation. To provide additional empirical insights into the validity of the consumerism life cycle concept, Varadarajan and Thirunarayana (1990) compared the responses of consumers in India with those of consumers in the 6 countries surveyed by Barksdale *et al.* (1982): Australia, Canada, the UK, Israel, Norway, and the US. Their findings of consumer attitudes toward government regulation, prices, and price control suggest that consumers in countries in the "crusading" stage of the life cycle such as India seem to be more dissatisfied with the current status and strongly favor more government intervention on behalf of consumers. Thus, Varadarajan and Thirunarayana (1990) conclude that despite wide variations in the volume of advertising and differences in levels of government regulation of advertising from one country to another, negative views about advertising seem to be a universal phenomenon, and perhaps more so in developing economies.

Studies of consumerism and consumer attitudes toward marketing in another big emerging market - China -- also highlight the need for further investigation. Since the beginning of reforms in the late 1980s, the country has witnessed phenomenal growth in household income and accumulated savings. China, as a huge potential consumer market, is flooded with an influx of domestic as well as imported goods. For a growing number of consumer products, over-capacity has led to a buyer's market in China. Meanwhile, the issue of consumer protection is also coming into the limelight, along with the emergent consumer society of the post-reform years (Ho 2001).

Many reports highlighted the growing acceptance of the return of marketing to China. Consumers have embraced various marketing activities with great curiosity. Such reports were very frequent in the late 1970s and throughout the 1980s. In two separate surveys in China, Zhao and Shen (1995) measured audience attitudes and behavior regarding commercial advertising. Their results indicated Chinese consumers supported the return of advertising. However, public opinion regarding commercial advertising remained quite reserved, and Chinese consumers paid more attention to the informational content than the entertainment features of the advertisements, suggesting that Chinese consumers probably looked for cues about product quality and features in advertising.

With the recent efforts to revitalize the country's economy, the government has encouraged consumer spending and also taken initiatives to protect consumer interests. At the same time, malpractices on the part of enterprises at the expense of consumers also have surfaced. The malpractices have included deceptive advertising, trademark violations, and other unethical business practices. In response to this problem, the China Consumer Council was established in December 1984 (Ho and Sin 1988). Measures have been taken to counter profiteering producers and trade people. Enterprises have been exposed to claims in cases in which marketing behavior was deemed to be infringing on consumers' rights, including multinationals such as Toyota, Volkswagen, Sony, Hilton Hotels, McDonalds, and most recently Toshiba. Whether the company wins or loses in the court, much greater is at stake including the company's reputation. Despite of adverse public attitudes at times, multinationals and local companies used a variety of techniques and media to promote their products to consumers in developing countries without close scrutiny of consumers' perceptions of such practices (Hill and Boya 1987). Against this backdrop, MNCs doing business in China would benefit from having at their disposal an understanding of

consumers attitudes toward marketing (Ho 2001).

While economic development has a tremendous impact on consumer attitudes and sophistication, researchers have studied the effect of various factors what may account for these differences in consumers' attitudes towards marketing. Chan, Yau and Chan (1990) found that demographic variables significantly affect consumers' attitudes in the same way across two samples. Crellin (1998) reported the most significant finding from an audience study in China was the generational split between those receptive and unreceptive to advertising. Those under 35 felt positive toward advertising, whereas those over 35 had similar and traditionally hostile attitudes to advertising. Respondents under 35 liked "to try new brands," believed "a famous brand can improve their image," liked "to buy foreign even if it's more expensive," and generally regarded advertising as part of modern life. In contrast, the attitudes of older consumers was typified by statements such as "I don't pay attention to outdoor advertising, papers and magazines," "truly good products don't need advertising" and "don't pay attention to the brands I buy." Their current negative disposition towards advertising, the researchers suggested, might be interpreted as an opportunity for advertisers to change some old preconceptions.

Although existing studies have identified various factors that affect consumers' attitudes toward marketing such as demographic factors and cultural values, their findings based on cross-country comparison have been inconsistent. Furthermore, their results suggest that the effect of various factor on consumers' attitudes toward marketing are more complicated than previously anticipated. In addition, how such perceptions affect consumer experiences such as satisfaction with marketing overall or specific marketing mix variables has not been explored. Thus, these studies have raised several research questions. First, previous studies suggest that consumer attitudes toward marketing are not uniform across various marketing mix variables. Thus, how important consumers think each of the marketing mix variables is to their shopping experience, and how does such as the perceived importance affect their perception?

More importantly, although brand-specific beliefs have been studied intensively and occasionally industry-specific beliefs, the effect of consumers' general beliefs toward marketing has hardly been investigated (Alpert 1993). Based on their background and experiences, consumers may have positive beliefs about marketing in general or negative

beliefs and skepticism about marketing. Several studies found that consumer beliefs about marketing affected their attitudes toward specific marketing activities. For instance, Andrews (1989) found that although consumers agreed strongly that ads were essential, they were very critical of advertising's social effects. Until recently, few studies have paid attention to the consumers' beliefs about marketing in emerging markets and how they may affect consumers' attitudes toward marketing (Darley and Johnson 1994). Since consumers in emerging markets have relatively a shorter period of exposure to modern marketing practices compared to their counterparts in developed economies, whether they believe marketing is overall a beneficial and responsible practice inevitably affects their attitudes toward marketing activities and their experiences as consumers. Moreover, how consumer attitudes toward marketing activities and their beliefs about marketing affect their satisfaction as consumers would provide the needed insight for companies operating in the emerging markets.

Given the above problems, we introduce two other factors to study consumer attitudes toward marketing: perceived importance of the marketing mix variable, and consumer beliefs about marketing. Here, importance is the level of significance of a marketing mix variable perceived by consumers to them as consumers. Consumer beliefs about marketing are their ideological beliefs about marketing, i.e., whether marketing is beneficial for consumers or it may be detrimental due to the perceived characteristics of marketers ((Treise *et al* 1994). Furthermore, we adopt consumer satisfaction with marketing and specific marketing mix variables as the dependent variable. Therefore, this study will explore the relationship between consumer attitudes toward marketing and beliefs about marketing, and their effect on consumer satisfaction as early research suggests that generalized beliefs and attitudes may, as intervening variables, have significant impact on purchase behavior and postpurchase evaluation (Anderson, Engledow and Becker 1979; Webster 1991).

First, consumer attitudes toward the marketing mix variables have a significant effect on their satisfaction as consumers (Webster 1991). Meanwhile, the perceived importance of the marketing mix variables moderates the effect of consumer attitudes on satisfaction, as there may be great variations in terms of the level of importance consumers attached to marketing mix variables. In addition, variations in consumer perceptions of marketing may occur as a result of their beliefs about marketing or sentiment toward

business (Treise *et al* 1994). Therefore, consumer beliefs about marketing in general affect their experiences in the market place and their satisfaction as consumers. Furthermore, consumer beliefs about marketing moderate the effect of consumer attitudes on satisfaction. The relationships among these variables are summarized in the following research hypotheses:

Hypothesis 1. Consumer attitudes toward the marketing mix variables have a significant effect their satisfaction.

Hypothesis 2. The effects of consumer attitudes on satisfaction are moderated by the perceived importance of the marketing mix variable.

Hypothesis 3. Consumer beliefs about marketing have a significant effect on satisfaction.

Hypothesis 4. The effects of consumer attitudes on satisfaction are moderated by consumer beliefs about marketing.

METHOD

After the literature review, we developed a questionnaire to measure consumer attitudes towards various marketing activities including each of the marketing mix variable -- product quality, retailing service, advertising and promotion, and price. The respondents were asked to respond to statements about their sentiments regarding the marketing mix variables, such as "I am satisfied with the quality of products that I have purchased;" "I am pleased with the services provided by the retailers;" "Most of the advertising that I have seen is truthful and informative;" and "I believe that most products are priced fairly." Likert scale was used for statements measuring consumer attitudes on various items, ranging from (1) strongly agree to (5) strongly disagree with a point of neutrality in the middle. In addition, we measured their satisfaction with each of those aspects and their beliefs about marketing. Consumer beliefs about marketing were measured by several statements, including "Most businesses believe customers are always right," "Most business do not avoid responsibilities to the consumers," "Buyer be Aware' is the principle of most businesses," and "Most business are more interested in making profit than serving the

customers.” Various demographic and lifestyle variables were also included in the questionnaire

The research assistants competent in both Chinese and English were selected to validate the questionnaire language using back translation method. The questionnaire was first developed in English by the investigator, then translated to Chinese by one research assistant, and then back translated into English by another to ensure conceptual correspondence. The Chinese version of the questionnaire was used for data collection. Since the consumer revolution has been largely an urban phenomenon in China, we conducted a survey in four major cities in China including Beijing, Hangzhou, Guangzhou and Xi'an. These cities are intended to represent different regions of China: north, east, south and west. First, research assistants were recruited among graduate students enrolled at local universities. These assistants were then trained to conduct personal interviews using the structured questionnaire and given extensive training as to how to conduct the interviews. Then, a mall intercept survey was conducted in each city at a major shopping center at different times of day and different days during a 10-day period to interview every fifth person until the 200 interview was completed. Finally, 200 usable questionnaires were collected from Beijing, Hangzhou and Xi'an. Several cases from Guangzhou had a significant number of missing values, resulting in 196 usable questionnaires.

There are total 391 females and 402 males. In terms of age, there 40.2% (17-25), 24.8% (26-35), 15.7% (36-45), 15.9% (46-66), and 3.4% (56-69). Thus, all generational groups are well represented. Furthermore, education is coded into two categories: high school education or lower, and college education and higher. Occupation is collapsed into three categories including white-collar professions, blue-collar professions, and personal services and others.

RESULTS

Table 1 suggests that consumer attitudes all four marketing mix variables indicate a neutral centrality (Table 1). Only satisfaction with product quality is lower, 2.34 closer to the point of agreement. As for their beliefs about marketing overall, consumer beliefs tend to be neutral or lack of confidence. Consumers on average feel neutral about the statement “Most businesses believe customers are always right” (mean=3.12). As for the statement

“Buyer be Aware” is the principle of most businesses,” more consumers tend to agree (mean=2.68). When asked about whether “Most businesses do not avoid responsibilities to the consumers,” the response is largely neutral. However, consumer overall agree that “Most businesses are more interested in making profit than serving the customers” (mean=2).

TABLE 1. SATISFACTION AND CONSUMER BELIEFS

Variables	Mean*	Std. Deviation
Satisfaction with		
Product quality	2.34	.63
Retail service	2.79	.89
Promotion	2.96	.86
Price	2.90	.85
Beliefs about Marketing		
Most businesses believe customers are always right.	3.12	.97
“Buyer be Aware” is the principle of most businesses.	2.68	.94
Most businesses do not avoid responsibilities to the consumers.	3.22	.99
Most businesses are more interested in making profit than serving the customers.	1.89	.85

Note: 1=strongly agree, and 5=strongly disagree

To develop the attitude scales, factor analysis was used to develop measurements. The principal component method was used for factor extraction. Varimax rotation converged (eigen value >1) and generated two factors for each attitude measures. Basically, one factor is positive, and the other is negative. Reliability tests were conducted to ensure internal consistency of all measures. The reliability test for attitudes toward each of marketing mix including those for product, retailing, promotion, pricing, and service are all above 0.70, demonstrating satisfactory reliability. Factor analyses about consumer beliefs generate two reliable measures. “Most businesses believe customers are always right” and “Most business do not avoid responsibilities to the consumers” make up the positive belief. The negative beliefs consist of the following two statements “‘Buyer be Aware’ is the principle of most businesses” and “Most business are more interested in making profit than serving the customers.” Factor scores were obtained as measures for these concepts for subsequent analyses.

Then, we performed multiple regression on consumer satisfaction with each of the marketing mix variables (Table 2). The results suggest that positive attitudes toward the marketing mix variable have a significant effect satisfaction, including for product ($\beta=.492$), retail service ($\beta=.544$), and price ($\beta=.455$), but not on promotion ($\beta= -.033$). However, negative attitudes have a significant negative effect on only satisfaction with retail service ($\beta=-.159$) and promotion ($-.530$). The perceived importance of the marketing mix variables by consumers does not have any significant effect on their satisfaction, except for promotion ($\beta= .167$).

As the effect of consumers beliefs about marketing, the results suggest while positive beliefs about marketing invariably have a significant positive effect on consumer satisfaction ($\beta= .205$ for product, $\beta= .109$ for service, $\beta= .175$ for promotion, and $\beta= .123$ for pricing), negative beliefs about marketing have a significant negative effect on satisfaction with product quality ($\beta= -.099$) and retail service ($\beta= -.101$). However, negative beliefs about marketing have no significant effect on satisfaction with promotion or price.

The results on the interactions show that perceived importance of the marketing mix variables does not have a significant effect on consumer satisfaction. However, attitude toward product quality is the exception in that given the perceived importance of the dimension, negative evaluation of product quality negatively affects consumer satisfaction ($\beta= -.205$), suggesting that consumers are particularly concerned with product quality while perhaps more tolerant on other dimensions including service, promotion and price. Thus, perception of product quality is an important factor in determining consumer satisfaction for those who place premium on product quality.

TABLE 2. CONSUMER BELIEFS, ATTITUDES AND SATISFACTION

Variables/Statistics	SAT-Prod	SAT-Retail	SAT-Promo	SAT-Price
R-square	.234	.355	.436	.276
F-value	12.59	21.986	30.67	12.28
Sig.	.000	.000	.000	.000
Attitudes				
Positive Attitude	.492***	.544***	-.033	.455***
Negative Attitude	-.128	-.159*	-.530***	-.108
Perceived Importance				
	.037	.037	.167***	-.062
Belief of Marketing				
Positive Belief	.205***	.109**	.175***	.123***
Negative Belief	-.099***	-.101**	.016	.030
Interactions				
Imp.*Pos. Att.	-.052	-.133	.154	-.036
Imp.*Neg. Att.	-.205*	-.051	.080	.021
Pos.Bel.*Pos.Att.	.032	-.005	.008	.075*
Pos.Bel.* Neg.Att.	-.075*	-.090**	-.129***	-.040
Neg.Bel.*Neg.Att.	-.036	.094**	.035	-.031
Neg.Bel.* Pos.Att.	-.006	.031	.026	-.015
Demographics				
Age	.076*	-.041	.040	-.027
Gender (male)	-.031	.006	-.031	-.013
Education (college)	-.026	.010	.016	.002
Occupation: (white collar)	.021	-.041	-.018	-.053
(blue collar)	.020	.010	-.033	-.028
(others)	-.004	.001	.023	.028

*: P=0.05, **: P=0.01, ***: P=0.001

By comparison, the moderating effect of consumer beliefs about marketing is much stronger. The interactions of positive beliefs with negative attitudes have a significant negative effect on satisfaction for product ($\beta = -.075$), service ($\beta = -.09$), and promotion ($\beta = -.129$), suggesting that among those who hold positive beliefs about marketing, negative attitudes towards these marketing mix variables reduce consumer satisfaction. The slight effect of positive reinforcement is evident for price ($\beta = .075$). The results also show that when consumers have negative beliefs about marketing, their attitudes toward marketing activities do not have any significant effect on satisfaction. One exceptional finding is the positive effect of the interaction between negative belief and negative attitude on satisfaction with retail service ($\beta = .094$). This is difficult to explain except that double negatives lead to a positive. Although consumers differ in terms of marketing beliefs and

attitudes, demographic variables do not have a significant effect on consumer satisfaction. Only one variable, age has a positive effect on satisfaction with product quality ($\beta = .076$), suggesting that older consumers are generally more satisfied with product quality than younger people.

Discussion

Findings

Results of the study suggest that consumer attitudes toward marketing in general remain neutral, and perhaps a little more positive for product quality than other marketing mix variables. In addition, consumer attitudes toward these marketing mix variables significantly affect their satisfaction as consumers. However, such effects vary across the marketing mix variables. Positive attitudes lead to satisfaction with product quality, retail service, and pricing, but not for promotion. However, negative attitudes toward promotion have a significant negative effect on consumer satisfaction, suggesting that consumers are the most critical of advertising and promotion, which pose special challenges for marketers. This is hardly surprising in an emerging market given the widespread skepticism about advertising in many countries (Calfee and Ringold 1994).

In addition, perceived importance of the marketing mix variable does not affect consumer satisfaction except for a positive effect on promotion, suggesting that consumers attach great importance to the role of advertising and promotion and treat them as an essential element of modern life. Furthermore, the findings show that consumer beliefs about marketing play a great role in affecting their satisfaction. Positive beliefs about marketing enhance consumer satisfaction across the marketing mix. Negative beliefs about marketing significantly dampen their satisfaction with product quality and retail service, but not promotion or pricing. These findings suggest that consumer attitudes, perceived importance, and beliefs about marketing do not have uniform effect on their satisfaction across the marketing mix variables, and the relationships between these perceptual measures are rather complex.

Furthermore, several significant interactions between perceived importance and consumer attitudes and between beliefs about marketing and consumer attitudes

significantly affect consumer satisfaction. Specifically, given the attached importance to product quality, negative attitudes significantly reduce consumer satisfaction. Positive beliefs and positive attitudes can greatly enhance consumer satisfaction. Meanwhile, positive beliefs in combination with negative attitudes severely dampen satisfaction with retail service and pricing. These findings suggest that the difference between consumer expectations and their experiences plays a critical role in consumer satisfaction. Depending on the nature of such interactions, the effect may be positive reinforcement or negative reinforcement. A puzzling exception is the positive effect on consumer satisfaction from the interaction of negative belief and negative attitudes toward promotion. While controlling for the perceptual variables, consumer demographics have little impact on consumer satisfaction.

Implications

Given the growing consumerism in emerging markets and increasing number of incidents in which consumers take actions against marketers, knowledge of consumers' attitudes towards marketing have become critical for both local operators as well as multinational players. In emerging market economies such as China, the two types of consumerism -- the first kind refers to the increasing consumption by people and the second means social trends and organized movements to protect the sovereignty of consumers -- go hand in hand. After decades of scarcity, continuous economic development has led to flourishing products and brands. Consumers increasingly demand higher quality products, better customer services, truthful advertising and promotion, and fair pricing. Meanwhile, it has long been taken for granted by many that Chinese consumers in general prefer foreign goods, which are mostly of better quality than domestic products. While such favorable perception remains true for most Chinese, many consumers have become more sophisticated in recognizing good values for their money, and they would not simply buy anything foreign.

Results of the study suggest that overall, consumer attitudes toward and beliefs about marketing are far from being positive, and such attitudes and beliefs significantly affect their experience in the marketplace. Thus, consumers in an emerging market are not quite convinced that marketers have their best interest in mind. These findings should sensitize marketers to consumer attitudes toward marketing and their beliefs so that marketers can

better develop and implement strategies to target the emerging middle class consumers in those countries. While positive attitudes and beliefs can enhance consumer satisfaction, negative attitudes and beliefs about might damper consumer satisfaction. When consumers' expectations are negatively disconfirmed, they are less satisfied, and in some cases, may resort to disapproving behavior. Therefore, marketers in emerging markets have much room for improvement in terms of both communicating to consumers about the benefits of marketing and the integrity of marketers

The consumer movement in China was a latecomer. This phenomenon is new to Chinese consumers, who used to live in a caveat emptor society. In the pre-reform period, China's socialist economic development resorted to a planned imbalance policy in limiting the production of consumer goods in favor of producer goods, resulting in basically a seller's market. "Let the buyer beware" was the rule in those days. Consumer sovereignty or satisfaction as an ultimate goal of economic activities, and for that matter consumer protection were non-existent in those days (Ho 2001). Recent, consumer rights have steadily taken root in China. The once prevalent scenario of Chinese consumers facing a scarcity of goods and services and suffering in silence when mistreated by the unscrupulous sellers is gradually becoming something of the past (Ho 2001). Today, stores trying to attract the emerging affluent class are frequently reminded by the consumer interest groups that they have rights of their own. Increasingly, disgruntled consumers are willing to stand up for their rights. Such cases are becoming more common in recent years, reflecting the growing power of the consumers in China.

For multinationals in the market, the notion that "Anything foreign sells in China" is perhaps outdated. Years ago, foreign brand names alone seemed to guarantee strong sales. In the course of the rapid development of China's economy, a combination of shoddy foreign goods and improved local brands has led to increasingly discriminating consumers, particularly in the urban and coastal areas. Consumers are rejecting foreign cast-offs that have failed to sell elsewhere and are demanding authenticity and quality. Several cases have been well publicized, in which consumers have won millions of yuan in damage and compensation. In a recent case, Wal-Mart was sued for selling locally assembled products as "Made in USA." Although it was not entirely Wal-Mart's problems, it did teach them a good lesson about the rising consumerism in emerging market (*China Economic Review* 1997).

As the Chinese legal system continues to develop, it will inevitably emphasize the consumers' interests. For instance, Chinese government banned all "direct sales" activities in late 1997 and inevitably hurt companies such as Amway and Avon because their downstream business developers pitched it as an opportunity to strike it rich, sold their products at high prices, and used deceptive techniques. Representatives from foreign companies claimed themselves as innocent victims of some overzealous peddlers trying to take advantage of the unsuspecting. As the Chinese government tends to be reactive to such incidents and sometimes over-reactive, it is perhaps in the best of interest of foreign firms in China to join force in terms of self-regulation and monitoring.

As consumers in emerging markets have been exposed to many forms of marketing, they have become less gullible and responsive to marketing activities, and sometimes suspicious. The rising consume awareness has prompted multinationals to rethink about their approach to marketing in these countries. Sony, for instance, after receiving many complaints about the lack of availability for its parts, decided to establish a customer service center in China. Many others have followed suit. Leading companies believe that customer satisfaction is important and are leveraging their early success for competitive performance in their China operations. In addition, they have found that customer satisfaction practices are similar to those in developed economies, and have devoted more effort to managing the interface with consumers. Although firms with high customer satisfaction usually enjoy superior economic returns, economic returns from improving customer satisfaction are not immediately realized because efforts to increase current customers' satisfaction primary affect future purchasing behavior (Anderson, Fornell and Lehmann 1994). Therefore, companies need to take a long term perspective when improving quality and customer satisfaction.

Suggestions

This study focuses on one of the emerging markets. The cross-cultural generalizability regarding the findings of consumer attitudes toward marketing needs to be tested with consumers in other country markets undergoing similar transition. Comparative studies would help separating the effects from the level of economic development, cultural beliefs, and other market and consumer characteristics. Whether consumer beliefs and attitudes toward marketing change over time is an important research question. When the rapid

development of various marketing practices, government regulations, and consumerism movement in emerging markets such as China, the evolution of consumer beliefs and attitudes and their implications for marketing management warrant investigation.

This study examines consumer attitudes toward the four marketing mix variables. Studies of specific issues including consumer decision-making, attitudes toward media, and advertising responses would help improve operational effectiveness in areas such as product positioning and promotional effectiveness. Consumers' perceptions of many specific marketing practices, in emerging markets, for instance, sales promotions, are virtually unknown (Huff and Alden 1998). Models of consumers' attitudes toward marketing practices developed and tested in developed economies may not translate into success into emerging markets. Further research needs to investigate whether some attitudes toward marketing practices are grounded in cultural values and beliefs. Likewise, multinational corporations should consider cultural and economic differences when planning marketing strategies in developing countries.

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