

# **CONSUMERS' WINE SELECTION AND THE INFLUENCE OF CONFUCIANISM**

A thesis submitted by

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## Statement of Candidate

I certify that the work in this thesis entitled “**Consumers’ Wine Selection and the Influence of Confucianism**” has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree to any other university or institution other than Macquarie University.

I also certify that the thesis is an original piece of research and it has been written by me. Any help and assistance that I have received in my research work and the preparation of the thesis itself have been appropriately acknowledged.

In addition, I certify that all information sources and literature used are indicated in the thesis.

The research presented in this thesis was approved by Macquarie University Ethics Review Committee, reference number: **<5201400657 >** on **<1/07/2014>**

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## **Abstract**

As the cornerstone of the Australian wine industry, the domestic wine market has developed steadily over the past two decades. Immigrants to Australia are an important demographic group who embed gradually into Australian society and are increasingly targeted as consumers by the Australian wine industry. But the domestic market is not homogenous as intra-national diversity (Tung and Baumann, 2009) creates a complex market place in Australia.

The number of immigrants from East Asia has increased considerably over the last 10 years. This group typically has strong purchasing power and they are generally open to drinking alcoholic beverages. Research shows that culture influences consumers' attitudes and behavior (Luna and Gupta, 2001), and for East Asians, the Chinese and South Koreans are largely driven by Confucianism.

In this study, wine category choice for Chinese and South Korean consumers was probed to establish the impact of their traditional Confucian values on consumer behaviour and then contrasted with Caucasian consumer behaviour.

Three purchase motivation scenarios were presented to 511 consumers through a shopping mall intercept involving a questionnaire. The questionnaire was designed to examine and analyse wine category choice for self/household-consumption, social entertainment-use

and gift giving. Separate models were developed to distinguish a preference for Australian and French wine. Backward deletion regression analysis was used to arrive at the most parsimonious models and the use of ANOVA with post-hoc analyses established significant differences in Confucianism among the three ethnic groups.

This study is unique in establishing the impact of Confucianism on consumers' wine category choice. It also offers a new contribution in creating a concept to measure Confucian values in relation to consumer behaviour, the Confucian Consumer Behaviour Components (CCBC). A comparison of the three research models used in this study, namely the marketing model, the CCBC model and the hybrid model (which combined the marketing model and the CCBC model) finds that the hybrid model has the highest explanatory power for consumers' wine category choice. Implications for academic theory and practice are discussed.

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# 1. Introduction

“Wine is perhaps the most historically charged and culturally symbolic of the foods and beverages with which we regularly have contact” (Alonso and Northcote, 2009, p1248). Wine is also discussed as cultural referent by Bourdieu (1977) and he argued that wine can be regarded as a fine art/aesthetic object (Ritchie, 2009).

The history of wine goes back thousands of years. Wine originated in continental Europe and was only consumed by the nobility in the earlier period (Alonso and Northcote, 2009). With the development of wine industry, wine drinking is now prevalent in Western countries such as France, Germany and Australia. Previous research has developed a wine-related lifestyle measurement instrument for segmenting the wine market, as lifestyle is inextricably associated with consumer values. Understanding consumers’ lifestyle profiles is important to explore consumers’ wine consumption behaviour (Bruwer et al., 2002).

Nowadays, many countries produce the wine. Historical circumstances have resulted in two wine worlds according to the wine’s country of origin. France, Italy and Spain represent the old wine world, where have rich traditional heritage and premium brands. Members of new wine world include Australia, America and South Africa, where have strong proprietary brands with a clear and identifiable message (Bruwer and House, 2003; McCutcheon et al., 2009). In terms of export volume, Italy ranked first in the world from 2008 to 2012 (Euromonitor, 2013) and Germany is the largest wine importer in the same period. Although Western countries still occupy the main market share, several countries like China, Japan and India are considered as potential wine markets due to develop because of their significant growth. Caucasians in Australia have a long tradition of consuming wine at home, when entertaining and giving it as a gift (Morey et al., 2002). The Chinese and South Koreans have traditionally focused on beers, whisky and their own

spirits, such as soju in South Korea and rice spirits in China. At the same time, wine is increasingly becoming popular with the Chinese and South Korean middle class (Lee et al., 2005; Balestrini and Gamble, 2006; Liu and Murphy, 2007). In fact, it could be argued the wine has become more common for Chinese and South Korean social and entertainment dinners, than it is in Western settings where consumers increasingly shy away from alcoholic beverages. In one way or another, the meaning of wine in Asian cultures may have converged with Australian Anglo culture (Lee et al., 2005; Liu et al., 2014).

Wine consumption in the world increased steadily by 6.9% and the total value amount was over 300,000 million US dollars from 2008 to 2013 (Euromonitor, 2014). Interestingly, the total value amount of the East Asian market including China, Korean, Japan and Taiwan has had a dramatic growth of 51.4% in this period and the wine consumption is forecasted to increase by 50% by 2018 (Euromonitor, 2013; Euromonitor, 2014). In the same time, immigrants to Australia from East Asia account for a substantial proportion of wine consumer target group. A number of studies investigated East Asian consumer behaviour in their home countries. This study is the first to explore East Asian consumer behaviour in contrast to Caucasian wine consumption behaviour in Australia.

This study focuses on the Chinese and South Korean consumers' wine category choice in the Australian domestic wine market. Because the domestic market is still the foundation of Australian wine industry, while many wineries focus on the export market (Bruwer et al., 2002). Asian immigrants who were born in outside of Australia accounted for 9.1% of the total Australian population in 2011 (Australian Bureau of Statistics, 2012). The proportion of immigrants from Asia to the general Australia population increased considerably from 5.5% in 2001 to 9.1% 2011(Australian Bureau of Statistics, 2012). The total number of Chinese immigrants is only surpassed by immigrants from the UK and India. The number of South Koreans immigrant also ranks in the top ten (Australian Bureau of Statistics, 2012). Although this study investigates Chinese and South Koreans' wine category choice in Australia, the immigrants are also influenced significantly by Confucianism, as Tung and Baumann (2009) established and empirically verified strong intra-national diversity in

Western market, such as Australia and Canada. If the market was homogenous, the study of this nature would be obsolete, but established as Baumann's study (Baumann et al., 2011) about intra-national diversity, such as Australia calls for more depth research as presented in this study.

Baumann et al. (2011) used the concept of intra-national diversity to explain different patterns of banking service and argued that intra-national diversity is important to explain the difference of consumer behaviour between ethnic groups within a country. Intra-national diversity was associated with differing attitudes toward money and investment decisions among Caucasians and ethnic Chinese who are living in Australia, Canada and China (Tung et al., 2013). The concept of intra-national diversity is the foundation of the method of ethnic marketing research used in this study. This study will extend these findings to the wine marketing study in order to explain the three ethnic groups wine category choice in Australia.

Wine is used by consumers in several ways, such as purchasing, consumption and gift giving (Ritchie, 2007). However, the influence of different factors on wine selection changes when consumers purchase wine for different occasions (Jaeger, Danaher and Brodie, 2009; Mora and Moscarola, 2010). Hall et al. (2007) demonstrated the relationship between wine choice and dining occasions as well as the influence of different factors in various occasions. Bruwer et al. (2012) also pointed out that wine's region of origin as a primary criterion is considered by consumers when they purchase wine in a restaurant. Moreover, previous studies have stated that the purchasing occasion is an essential factor in consumers' wine selection, as the reasons of wine selection for different situations are not the same. Differences among individuals' motivation on specific occasions are worthy to be understood more clearly, especially when consumers are confronted with different categories of wine brand, such as the discount brand and premium brand

It is widely acknowledged that consumers' wine selection is determined by many factors, including the intrinsic and extrinsic cues of wine, occasions, purchase intentions and so

forth (Martinez et al., 2005). In terms of the intrinsic cues, they include grape, colour, vintage and alcohol. Extrinsic cues include brand, country of origin and price. These intrinsic and extrinsic cues help the consumer evaluate wine quality and make a purchase decision (Balestrini, Gamble, 2006; Bruwer and Buller, 2013). However, if consumers have a low level of wine knowledge or wine product involvement, they prefer to use extrinsic cues to perceive the wine quality (Bruwer and Buller, 2013). Moreover, Lockshin and Hall (2003) demonstrated that extrinsic cues are the key drivers to influence most consumers' wine purchasing decisions, since the wine quality cannot be judged before purchase, if the customer has no prior knowledge of that wine. Therefore, it is significant to understand the effect of these key drivers on consumers' wine category choice.

Several studies have found that individuals' motivation for purchase behaviour is affected by their cultural background (Li et al., 2011; Bruwer and Buller, 2012; Rod and Beal, 2014). Indeed, different cultures can shape consumers' beliefs, attitudes and behaviours and previous research has investigated the relationship between culture and consumer behaviours (Shinobu and Dov, 2006). Moreover, different purchasing occasions are also related to cultural values and social norms (Baumann and Hamin, 2014). For example, Chinese gift giving behaviour is impacted significantly by Chinese cultural values. In empirical research, Western countries have been found to be more individualist cultures and Eastern countries are found to be more collectivist (Singelis et al., 1995, Gurham-Ganli and Maheswaran, 2000). Therefore, cultural difference is a crucial criterion in discerning market segmentation, as cultural values have strong ties to consumers' purchase behaviour. In wine research, it is very important to understand the similarities and differences in the wine selection process amongst individuals from different cultural background (Somogyi, 2011; Rod and Beal, 2014).

In East Asia, Confucianism has been the essential foundation of culture and society for more than two thousand years, particularly in China, Taiwan, Japan and South Korean (Ji and Dimitratos, 2013). Confucianism is originated from the teachings of Confucius (551-479 BEC), who was the Chinese philosopher (Wright et al., 1959). People's values

and norms are impacted considerably by Confucian values and many aspect of life are heavily influenced by Confucianism, such as family life, education, law and business (Dalton, 2005; Cheung et al., 2006; Ji and Dimitratos, 2013). Dalton (2005) provided a discussion on whether Confucianism is used to verify a social phenomenon such as consumer behaviour in this study, or whether there is some form of independence. In terms of education, Asian students' academic performance is influenced by Confucianism (Baumann and Hamin, 2011). Moreover, Hofstede and Bond (1988) used "Confucian dynamism" to explain the macro economic growth among the nations of East Asia. Other studies have explored the impact of Confucian dynamism on economic growth, international business, human resource management and so forth (Matthews, 2000; Ji and Dimitratos, 2013).

People follow the doctrines of Confucianism, such as "zhongyong" and "jiejian". "Zhongyong" means adhering to the middle way or balancing between two extreme points. "Jiejian" refers to thrift and encourages saving money rather than consumption (Cheung et al., 2006). Therefore, consumers' purchase intentions and behaviours are still affected by Confucian values (Park and Col, 1995; Cheung et al., 2006). However, previous studies have not analysed the impact of Confucianism on consumers' wine selection.

#### *The contributions of this study*

The first unique contribution of this study is to establish a new construct to measure Confucianism in this context, namely Confucian consumer behaviour components (CCBC). The CCBC model consists of five dimensions (hierarchy, reciprocity, group orientation, humility and face saving) adapted from the study by Monkhouse et al. (2012).

The second unique contribution is to generate a hybrid model (combining marketing factors and new CCBC factors to explain consumers' wine category choice. The study compares three research models (marketing model, CCBC model and hybrid model) with regard to their explanatory power in order to identify which model explains consumers wine category choice more.

Finally, the study provides a third unique contribution by investigating whether the consumers' wine category choice is influenced by Confucianism. Previous research has explored the impact of culture on consumer behavior. Confucianism is a prevalent influence in East Asia (Gurnert and Scherhom, 1990; Corkindale et al., 1998) but it is not yet well understood that Confucianism can be, and this study argues, is associated with consumers' wine category choice

#### *Research questions and objective*

The first research question of this study explores differences in wine category choice for three scenarios among three ethnic groups. For wine marketers, it is crucial to understand the relationship between wine choice and different consumption occasions, such as dining with friends or drinking at a party (Hall et al., 2001), because attributes of the wine play different roles on different occasions (Thach, 2011; Kallas et al., 2013). The objective of this research question is to understand different ethnic groups' preference of wine category choice in different scenarios.

The second research question investigates whether the hybrid model (combining the marketing model and the CCBC model) is more powerful than the sole marketing model and the CCBC model to explain three ethnic groups' wine category choice for three scenarios. In order to explain the drivers of their purchase preference, a comparison of explanatory power among three models (marketing model, CCBC model and hybrid model) will be conducted. The effect of marketing factors on consumer purchase behaviour has been explored for a long time and the impact of culture on consumers' attitude and behaviour has also been explored in many cross-cultural studies (Gurnert and Scherhom, 1990). Thus, the objective of this research question is to examine which research model explains more fully the reasons for consumer preference in different scenarios.

The third research question it addresses is whether Confucianism can influence three ethnic groups' wine selection in the three scenarios. Wine is historically considered an expensive,

sophisticated product (Ritchie 2007). Marketing factors are not only variables that influence consumers' wine selection. In East Asia, Confucianism influences the majority of people. Somogyi et al. (2011) discussed that the wine product in China is considered as a socially and culturally sophisticated symbolism as well as the wine consumption is influenced by the norms and Chinese cultural values. Thus, the objective of this research question is to examine the impact of Confucianism on different ethnic groups' purchase behaviour has presented to explain consumer behaviour better. For example, it seems that face saving may impact the wine brought as a gift (Liu and Murphy, 2007).

The fourth research question is to explore which factors influence consumer's wine selection among three brand categories from two countries in three scenarios. Understanding the key drivers of consumers' wine category choice and the motivation of their purchasing decisions in different occasions are critical to market wine successfully.

## **2. Literature Review**

### **2.1. Introduction**

As established in the previous section, East Asian consumers living in Australia are potential consumers for the Australian wine industry and their purchasing behaviour is likely impacted by Confucianism. However, no empirical research in this field has explored the relationship between Confucianism and wine category choice. This study will fill this gap and establish a new perspective to explain East Asian consumers' wine category choice. This chapter will explore the effect of marketing factors on consumers' selection and presents the concept of Confucianism and its impact on consumers' purchase behaviour.

### **2.2. Wine Marketing and Consumers' Wine Consumption**

Research regarding wine selection and consumption can be broadly classified into four parts. First, empirical wine research has explored the impact of extrinsic cues (price, brand, packaging, country of origin etc.) and intrinsic cues (grape, colour, vintage, alcohol etc.) of wine on consumers' purchase behaviour (Skuras and Vakrou, 2002; d'Hauteville and Perrouy, 2005; Campo et al., 2013). These wine studies are based on the cue utilization theory. This theory asserts that "extrinsic cues are product-related attributes-such as price and brand name-which are not part of the physical product" while "intrinsic cues represent product-related attributes, such as ingredients, that cannot be manipulated without also altering physical properties of the product" (Richardson et al., 1994, p29).

Second, wine literature has concentrated on investigating differences in demographic components of the market including gender, age, cultural background and ethnic groups (Thompson and Vourvachis, 1995; Olsen et al., 2007; Taylor and Barber, 2012). For



example, Olsnet al., (2007) found that young American customers tend to choose wine for consumption in public more frequently than before.

Third, wine studies have examined the purchase intentions and motivations consumers have declared for different occasions (Olsen et al., 2007; Hollebeek et al., 2007; Ritchie, 2007).

Fourth, wine marketing research has also explored more specific themes including wine tourism, wine knowledge, taste testing, distribution chain, consumer ethnocentrism and so forth (Dodd and Gustason, 1997, D'Alessandro and Pecotich, 2012; Leddy and Williams, 2013).

Based on this literature, this study looks at three specific occasions and motivations for wine consumption. Moreover, several wine attributes and marketing factors are considered by this study as prior selection criteria in consumer's minds (Hollebeek et al., 2007; Aqueveque, 2008; Ribeiro and Santos, 2008). It is worth exploring in more detail the relationship between these factors and consumer purchase behaviour.

### **2.3. Occasions of and Motivation for Wine Consumption**

According to previous studies, situation is recognised as a basic criterion for market segmentation (Belk, 1974). In relation to wine, consumers select and consume wine for different reason in different situations (Dubow, 1982). Aside from the information regarding the effect of wine attributes, consumer purchase behaviour and motivation are also influenced by different drinking occasions and social environments. External environment and different occasions significantly influence consumer purchase intentions. Several studies found that occasions or social situations are crucial in determining consumers' wine selection (Dubow and Joel, 1992; Berni and Capitello, 2005). Moreover, many studies have examined the motivation of consuming wine on a specific occasion. Meanwhile, these studies have attempted to test which wine attributes and cues are

important in influencing consumer wine category choice on different occasions (Ritchie, 2007; Martinez et al., 2005).

### **2.3.1 Wine for Self/family Use**

When consumers select wines, their motive of drinking can produce different purchase behaviours (Ritchie, 2007). Some consumers enjoy drinking wine at home and they believe that drinking wine is a good way to relax in leisure time or to feel romantic (Thach, 2012). Some consumers drink wine with their family on special occasions such as birthdays and Christmas. In this situation, consumers prefer to purchase high quality wine in order to honour their intimate relationship (Mora and Moscarola, 2010). When consumer want high quality of wine, they often look for the premium brand and a high price to guarantee the quality of wine (Barber and Kolyesnikova, 2009; Thach, 2012). Consumers hope their family members feel love and esteem for them through this kind of purchase behaviour (Olsen et al., 2007).

On the other hand, consumers purchase wines with a low price for daily drinking with family members at home, since they do not focus on the quality of wine in their leisure time (Ritchie, 2007). Based on the depiction of motivations above, the motive of purchasing wine for self and family use is relatively straightforward and basic reasons are for pleasure, fun and relaxation. Thus, consumers tend to consider wine price, brands and wine quality in their decision-making process (Bruwer et al., 2002; Ritchie, 2007).

### **2.3.2 Wine for Social Entertainment Use**

Consumers treat wine differently according to the drinking circumstances (Watson and Spence, 2007). In social situations like eating with friends at fairly formal restaurants and dinner parties, consumers hope to be well respected and make a positive impression on others (Jaeger et al., 2009). Consumers are more likely to select a famous wine brand to display their taste, personal image and social status. However, consumers often worry and doubt their wine choice on a public occasion, so that they often prefer to make a familiar

choice.

In addition to this, consumers prefer to follow the host's advice or the staff's recommendation so as to reduce the risk of embarrassment if they need to select a wine in an important public environment (Martinez et al., 2005; Ritchie, 2007). In this situation, many consumers focus on intrinsic cues to choose wine and try to enjoy selection as a ritualistic process, if they hope to be considered connoisseurs (Hall et al., 2001).

### **2.3.3 Wine for Gift-giving**

In gift-giving situations, "motivations for gift-giving have been linked to symbolism and three types emerged: altruism or pro-social behaviour, compliance with social norms, and self-interest or indebtedness engineering" (Baumann and Hamin, 2014, p493). Based on this framework, the motivation to purchase wine for gift-giving depends on different events such as festival and weddings (Thach, 2012). When consumers select the "right" wine for gift-giving, they feel self-fulfilment and a sense of accomplishment, because the gift represents the giver's image or him or herself and displays the giver's unique friendship, emotional investment and valuation of relationship (Ritchie, 2007).

Gift-giving is also associated with social norms and culture. In East Asia, gift-giving is an important type of reciprocity, which influences people's social image and relationships. Consumers want to select an appropriate gift to represent the relationship between givers and receivers. In order to impress receivers, consumers prefer to choose high quality and expensive gift for gift-giving, which represent the self-image of the giver (Baumann and Hamin, 2014). Randall (2000) also found that consumers did not choose wine with supermarket name brands for gifts, since this kind of wine could be considered as bad or cheap wine. Therefore, when the consumers want to purchase wine for a gift, extrinsic cues such as packaging, brands and price could be associated with their cultural background, since consumers need to consider local customs and the receiver's preference (Ritchie, 2007).

## 2.4 Wine Marketing Factors

### *Country of origin*

The country of origin was first defined by Scholler in 1965 and comprehensive studies have revealed that most consumers use country of origin information as a marker of the quality of products and to distinguish between similar commodities made in different countries (AI-Sulaiti and Baker, 1998; Elliott and Hamin, 2006). Balestrini and Gamble (2006, p399) contended that “the country image can be viewed as a compound of contemporary and historical associations.” There is a strong bond between the image of a country and the image of the product. A positive country image benefits their national affiliated product categories, such as brands of Swiss chocolate and Japanese electronics (AI-Sulaiti and Baker, 1998).

In relation to wine products, wine research has classified wine market into two wine worlds (old wine world and new wine world) based on the country of origin. Different wine producing countries represent various images, traits and quality of wine (Hollebeek et al., 2007). Consumers can use this information to distinguish different kinds of wine and choose an appropriate wine. Thus, wine studies have underlined that country of origin plays a significant role in evaluating wine quality and how it influences consumer purchase behaviour (O’Shaughnessy and O’Shaughnessy, 2000). Consumers tend to use country of origin information as a choice criterion to perceive wine quality and this information can assist them to simplify the decision-making process (Brown and O’cass, 2008). Skuras and Vakrou (2002) illustrated that consumers are willing to pay a higher price for an origin-labelled wine, because wine produced in different countries has different meanings. For example, French wine is linked to a sophisticated premium image (Gluckman, 1990). Bruwer and Buller (2012) considered the country of origin information as “brands”. Consumers prefer to choose wine brands made in a country with a strong product category-country association.

Researchers also used country of origin to measure consumers' wine brand loyalty. Wineries too prefer to include country of origin in labelling and more wine retailers and supermarkets exhibit and classify wines by different countries and regions. These practices confirm the importance of country of origin information in purchasing wine (Keown and Casey, 1995; Balestrini and Gamble, 2006). By comparison with other factors, consumers use country of origin information as a principal criterion to infer and evaluate the quality of unfamiliar wines (Wall et al., 1991; Elliott and Cameron, 1994).

### *Consumer ethnocentrism*

On the other hand, the previous studies of country of origin often associated with consumer ethnocentrism. Sumner (1906) introduced the concept of consumer ethnocentrism, "the view of things in which one's own group is the centre of everything, and all others are scaled and rated with reference to it" (Balabanis and Diamantopoulos, 2004; p.13). In some studies, consumer ethnocentrism has been used to explain the phenomenon that consumers prefer to choose domestic products. Ethnocentric consumers think that buying domestic products is patriotic behaviour and supports the domestic economy (Pecotich and Rosenthal, 2001; Balabanis and Diamantopoulos, 2004). Consumer ethnocentrism can explain a propensity to choose domestic or imported products (Brown and O'cass, 2008).

In the old wine world market, local customers often purchase wine produced in their own countries, such as France, Spain and Italy (Guidry, Babin et al., 2009). Bernabeu (2013) investigated the impact of consumer ethnocentrism on consumers' wine preferences from the region of origin (Castile-La Mancha). They found that consumers with a high level of ethnocentrism are older and their income and education level are relatively low.

Australia consumers also prefer to purchase wine with "Made in Australia" or "Produced in Australia" label rather than imported wine, since consumer ethnocentrism is relatively strong in the Australian wine market (Brown and O'cass, 2008). In fact, consumer ethnocentrism is a significant signal of the power of local cultural effect (Hofstede, 1984). Empirical research has also found that consumers prefer to choose products produced from

culturally similar countries (Balabanis and Diamantopoulos, 2004). In East Asia, it is worth understanding whether consumer ethnocentrism influences consumers' wine selection process as well as whether the effect of culture can influence the selection of wine producing countries.

### *Brand image*

Brand image has been explored in numerous consumer behaviour studies in the past few decades. Dawn and George (1990) stated that "brand image is largely a subjective and perceptual phenomenon that is formed through consumer interpretation, whether reasoned or emotional." An effectively communicated brand image should establish a stable position in the target market to enhance the brand's marketing performance (Whan Park, Bernard et al, 1986). Bruwer and Buller (2012) found that brand loyalty is derived from a positive brand image. An overall brand image is created from certain brand-specific associations within consumers' memory.

For the wine market, brand image includes many components, such as country of origin, grape variety and price, which are key drivers influencing consumer's purchasing choice. Connoisseurs and aspirational wine consumers rely on their wine knowledge to choose and judge wine quality (Beverland and Michael, 2004). However, customers without much wine knowledge often choose a positive brand image that can pretty much guarantee wine quality and reduce the risk of dissatisfaction (Balestrini and Gamble, 2006). Wine brand image is a significant attribute to influence customer buying behaviour based on research conducted in the USA, Northern Ireland, Australia and Ireland. (Viotand Passebois-Ducros, 2010). Wineries with a positive and unique brand image generate a positive effect on consumers' attitude and influence their brand preference gradually (Remaud and Lockshin, 2009). Additionally, the relationship between wine brand image and other cues, such as region, award, price and involvement are quite complex (Lockshin et al., 2006). A famous region or a gold medal could enhance the power of wine brand image, which can speed up consumers' making decision process (Guris et al., 2006; Ling and Lockshin, 2003). Gluckman (1990) also discussed that a well-known region could add to a wine brand

regardless of price and involvement level. Thus, a positive brand image is affected by several wine attributes as well as brand image is an important factor to measure difference of consumers' wine selection.

### *Price*

Price, as a basic element of the marketing mix, is regarded as a useful tool to determine the value of a product. Tony et al. (1990) discussed the effect of price on the wine industry and associated price with different dimensions of wine, including product differentiation, image, channels of distribution and competition. Moreover, wine prices are also influenced by the quality, reputation and other objective characteristics (Oczkowski, 2001). Empirical wine studies investigated how price influences consumers' wine purchasing behaviour and provide evidence that price was extremely significant cue to most respondents (Koehn and Casey, 1995). Price was also found to be a powerful indicator of consumers' wine selection, when consumers use it to evaluate wine quality (Tustin and Lockshin, 2001; Lockshin, 2006; Lim et al., 1988). Similarly, Lockshin et al. (2004) also emphasized that price can affect significant consumers' purchase probability, as it is regarded as a primary cue to indicate wine quality and overcome perceived risk.

Given that consumers are surrounded by many clusters of product information, customers find it difficult to differentiate between a wide variety of products. In relation to wine, price is an important extrinsic cue. Consumers use it to distinguish between different classes of wine and to make purchase decisions (Lockshin, 2006; Linda et al., 2007). Consumers use the price cue for quality judgments when they do not have much wine knowledge (Lockshin and Rhodus, 1993). Moreover, customers are more likely to use price to evaluate the quality of a wine when other wine attributes and cues are similar (Balestrini and Gamble, 2006). Thus, the price has been regarded as a criterion in a cluster analysis segmentation of wine consumers (Lockshin et al., 2004)

However, consumers with different cultural backgrounds have different attitudes toward money. Culture shapes people's values and attitudes from early childhood (Tung and

Baumann, 2009) and so the effect of price on consumers' wine selection differs among various cultural groups.

#### *Value for money*

The value of money has been defined by many studies and "exchange value of a unit of it" has been accepted widespread in many disciplines (Pigou, 1917). In marketing, there are many previous consumer behaviour studies that mention the impact of value for money on purchasing decision process and preference (Sirohi et al. 1998).

Baumann and Hamin (2014) explored the importance of price on purchase intention in relation to food brands and pointed out that the consumers of different ethnicities, who value money differently, have their own brand preferences for food products. In relation to wine research, value for money is usually regarded as an important factor to influence consumers' wine choice, particularly in party/celebration and dinner-with-friends situations (Hall et al., 2001). Felzensztein (2004) also discussed that when consumers purchase the wine products for dinners away from home, they are more likely to consider the value for money. Furthermore, value for money is usually associated with particular brands and labels. Consumers prefer to combine the information on wine labels and value for money to make their purchase decision, especially for premium brands (Vrontis et al., 2007; Gluckman, 1990).

#### *Product quality*

Product quality has been regarded as an important issue in a competitive market. Garvin (1984) used five approaches to define quality using the perspectives of different disciplines. From a marketing perspective, he utilised a user-based and product-based approach (Garvin, 1984). The relationship between product quality and other marketing factors, such as brand image, price and customer satisfaction were discussed for physical goods and services (Shapiro, 1982). Consumers are more likely to use different dimensions of product to perceive the quality of product, such as product performance, features, reliability and so forth (Garvin, 1984; Edwards, 1968).



For wine, there are many studies about wine product quality, particularly in consumer research. Wine quality ranges from basic to premium (Charters, 2002). Hauck (1991) found that quality is amongst the most prominent factors to impact consumers' wine category choice. Charters and Pettigrew provided a framework to determine the quality of wine and established a new approach to interpret how consumers conceptualise quality. They found that consumers tend to consider many factors (i.e. price, value, intrinsic cues and so forth.) to determine wine quality, which is an interactionist process. Similarly, other empirical wine research found that overall sensory quality depends on objective characteristic traits, "a significant relationship with price occurs" (Lockshin et al., 2006; Angulo et al., 2000)

Earlier wine quality studies found that consumers do not know whether the wine product could meet their quality standards before purchasing this product (Orth and Krska, 2002). Empirical research has investigated many factors that influence consumer perception of quality. Gluckman (1990) found a significant relationship between the perception of quality and cues including grape variety, region of origin and brand name. Moreover, reputation is a key variable that links with quality and consumers are willing to purchase wine with long term reputation (Landon and Smith, 1997).

However, Hollebeek et al. (2007) demonstrated that the consumers depend on their wine knowledge level to use various wine attributes to perceive wine product quality. Expert wine tasters use the intrinsic attributes of wine

#### *Customer satisfaction*

Customer satisfaction is an essential indicator of product performance, as customer satisfaction links to customer purchase behaviour (Anderson et al. 1994). Customer satisfaction is affected by two dimensions including cognitive and affective components (Szymanski and Henard, 2001). Westbrook and Oliver (1991) emphasised that emotions could help consumers trace their memory in order to assess overall satisfaction.

Numerous studies have found that customer loyalty can be generated by a high level of customer satisfaction (Bolton and Drew, 1991). Increasing the level of customer satisfaction helps to guarantee future revenue and reduce the costs of maintaining a customer base and transactions (Anderson et al., 2001). In the wine research, consumers' purchase behavioural intention for wine product is significantly associated with customer satisfaction (Woodside et al., 1989). In order to get a high level of customer satisfaction, several wine studies sought to understand wine consumers' real need and examined the relationship between different factors and customer satisfaction (Nowak et al., 2006). For example, they found that price and quality are critical factors that influence customer satisfaction which in turn affects purchase intention in the future (Thiele, 2005). Ling et al.'s (2003) findings support the view that customer satisfaction influences consumers' repurchase behaviour and loyalty.

## **2.5. Confucianism**

### **2.5.1. Introduction**

There are many studies in market research regarding cultural differences. Empirical research has attempted to determine how different consumers' behaviour is influenced by their cultural backgrounds and how cultural values affect consumers' attitudes and behaviour (Gurnert and Scherhom, 1990). Kitayama and Cohen (2007) describe culture as "patterns of representations, actions, and artifacts that are distributed or spread by social interaction". The effect of culture is embedded into human life and affects beliefs, values, customs, languages and habits. These components of culture can provide clues to underlying reasons for people's behaviour (Gurnert and Scherhom, 1990; Dalton, 2005).

Cultural concepts can also be used to investigate behaviours and phenomena in organisations and groups at different levels (Hofstede, 1984; McCort and Malhotra, 1993; Baumann and Hamin, 2011). Culture is an effective predictor of people's emotions and attitudes when compared with other variables including demographics and personality,

though mental ability predicts better than culture (Taras et al., 2010).

In East Asia, Confucianism is more powerful than other ideologies (Corkindale et al., 1998). Confucianism originated in China and is the foundation of Chinese morality and of core elements of Chinese cultural values. Although Confucianism was established two millennia ago, Confucian values continue to play a significant role in contemporary society.

In addition, Confucianism influences other countries such as South Korea, Japan, Taiwan, Hong Kong and Singapore. Park and Col (1995) probed the effect of Confucianism on contemporary Korean family life. They found that Confucianism is a powerful influence on Korean behaviour patterns and family structure. Dalton (2005) also discussed that the Korean political issue was associated with Confucianism. Similarly, Nonaka et al. (2005) demonstrated the strong impact of Confucianism on Japanese culture and the significance of reciprocity in Japanese society. Thus, Confucianism influences people's beliefs and behaviour in several countries, especially in East Asia.

### **2.5.2. Definition of Confucianism**

Confucianism encompasses a philosophical system and codes of behaviour. Confucianism represents a traditional value system rooted in Chinese culture. This value system (Confucianism) was set up and originated by Confucius (551-479 BC), who provided a series of doctrines to guide all relationships in the family, community, and state (Yao, 2000; Hyun, 2001). "In Confucian thought, the composition of society is hierarchical, based on the vertical structure of superiors and subordinates" (Hyun, 2001). Meanwhile, Confucius expected the harmony in different kinds of social relationships, such as in the family, society and states. In order to maintain the harmony, individuals must obey the main cardinal values and principles (Hyun, 2001; Bell and Mo, 2013). Confucianism as a guide shapes moral norms and social consciousness, which can influence individuals' mind and restrict their behaviour. Also, Confucianism provides doctrines for people to conduct their

relationship with others as well as values to guide their behaviour orientation (Cheung et al., 2006). Confucianism teaches individual to be a 'junzi' (gentleman) rather than 'xiaoren' (commoner) and insists on five cardinal virtues (wuchang): 'li' (proper rite), 'yi' (righteousness), 'ren' (benevolence), 'zhi' (knowledge or intelligence) and 'xin' (integrity) (Wright et al., 1959; Cheung et al., 2006). Moreover, individuals need to obey 'zhongyong' (moderation) orientation which means following the middle way (Wright et al., 1959; Ip, 2009). In other words, it is very important to find an appropriate position to balance between extremes in order to enhance harmony and stability (Matthews, 2000).

Nevertheless, people now may not be able to live by Confucian values, as Confucianism has established over two thousand years and the Confucian values are developed by different generations (Cheung et al., 2006). Moreover, when Confucianism was spread from China to other countries, the original Confucian values were not passed down from generation to generation with no change (Park and Col, 1995). Confucianism has developed and evolved during the last decades. Modern Confucianism has been argued for many reasons, but Confucianism still influence East Asian countries, particularly for everyday Chinese and Korean life, as well as affect individuals' behaviour and value reflected in many practices (Hyun, 2001, Yang and Su, 2013). Thiandis (1995) demonstrated that Korean social pattern and individuals' attitude and values has characterized by Confucian value system.

The measurement of Confucian values is a complicated process which is difficult to conduct. In this study, five significant dimensions of Confucianism were selected to measure the consumers' "Confucianism" level. These five dimensions are related to consumers' purchasing behaviour as a manifestation of Confucian cardinal virtues. This measurement of Confucianism is named Confucian consumer behaviour components (CCBC).

### **2.5.3. Measurement of Confucian values**

In this part, five pivotal elements of Confucianism need to be emphasized. Based on these elements, proposed questions will measure consumers' Confucianism. First, 'mianzi' (face) means an individual's image and dignity in the public. For individuals influenced by Confucianism, 'mianzi' (face) is very important for them, as it can directly influence their social life (Lim, 2003). Losing face not only leads to people feel shame and embarrassment in that moment, but also generates negative effect on their emotion and social intercourse for a long period (Qian, Razzaque and Keng, 2007). Therefore, people influenced by Confucian values need to pay attention to saving face for others and restrict their manner of speaking and behaviour in order to avoid generating confronting relationships with others (Chung, 2000).

Second, humility is a great characteristic of 'junzi' (gentleman). In order to maintain harmony in the community, individuals need to obey the spirit of humility to display wealth and knowledge (Monkhouse, Barnes and Pham, 2012).

Third, group orientation is a basic element of characteristic of East Asian societies. Maintaining harmony is prior to individual's benefit, as individual is part of a complex community rather than living in isolation. People are expected to deal with the relationship between individual and the community appropriately (Qian, Razzaque and Keng, 2007; Monkhouse, Barnes and Pham, 2012).

Fourth, reciprocity is a basic rule or norm of Confucianism and Confucian actor use to be close the relationship with other in a reciprocal way (Steidlmeier, 1999). Reciprocity is embedded in the society and exchanging gifts is a symbol of this. Individuals hope to be treated as equals after giving gifts to others. If people neglect this rule or norm, their social relationships with others could be negatively influenced (Monkhouse et al., 2012).

Lastly, Confucianism also emphasised respect for the social hierarchy and human relationships, which influence the structure of society and family. There are five cardinal relations in Confucianism, which are composed of relations between father and son;

between sovereign and minister; between husband and wife; between old and young; and between friends (Lowe and Corkindale, 1998). Indeed, individuals play different roles in the society, and everyone is required to behave appropriately in different relationships.

## **2.6. Confucianism and Consumption**

While wine marketing research has realized the importance of cultural differences and background, the research has merely concentrated on comparison between different countries' consumer purchase behaviour and attitude toward wine as well as which wine attribute has priority in their selection process. There has been little research on the explanation of impact of cultural values on wine selection.

Thus the effect of Confucianism on wine consumption has not been studied. However, the empirical literature has revealed the relationship between several components of Confucianism and underscored the powerful impact of Confucianism on consumer attitude and behaviour. For example, thrift is an essential element of Confucian values, which influence people's attitude toward money and their purchase behaviours. Tung and Baumann (2009) found that the Chinese are used to saving money and consuming later and the average saving rate in China is higher than in Canada, US and Australia. On the other hand, Wong and Ahuvia (1998) found that "face" can influence purchase behaviour and product selections especially in luxury consumption. Yao et al. (2010) examined the significant correlation between the people with zhongyong orientation and creativity-innovation behaviour. Based on these studies, it confirms straightforwardly that Confucian values can influence people's lifestyles, beliefs, attitudes and behaviours profoundly.

In this study, it is important to identify whether Confucianism can influence Chinese and Korean consumers' purchase intention for wine. This study models factors affecting wine category choice for premium, household and discount brands/labels. Choice factors for Chinese and Korean consumers will be probed for the association with Confucianism, and

contrasted to Western, or Caucasian, consumer behaviour. Specifically, this study will establish the measuring construct of Confucianism, that is, the Confucian consumer behaviour components (CCBC): face saving, group orientation, hierarchy, humility and reciprocity. It will also develop a new model (combining the marketing model and the CCBC model) to investigate consumers' wine category choice.

## 2.7. Hypotheses Formulation

Based on the literature review, the hypotheses of this study are formulated in the below content.

### Panel A: The explanatory power of a hybrid model

H1AdSH: The explanatory power of a hybrid model of ***Australian discount wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the self/household scenario.

H1AdSE: The explanatory power of a hybrid model of ***Australian discount wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the social entertainment scenario.

H1AdGG: The explanatory power of a hybrid model of ***Australian discount wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the gift giving scenario.

H1AhSH: The explanatory power of a hybrid model of ***Australian household wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the self/household scenario.

H1AhSE: The explanatory power of a hybrid model of ***Australian household wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the social entertainment scenario.

H1AhGG: The explanatory power of a hybrid model of *Australian household wine brands* will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the gift giving scenario.

H1ApSH: The explanatory power of a hybrid model of *Australian premium wine brands* will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the self/household scenario.

H1ApSE: The explanatory power of *a hybrid model* of *Australian premium wine brands* will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the social entertainment scenario.

H1ApGG: The explanatory power of *a hybrid model* of *Australian premium wine brands* will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the gift giving scenario.

H2FdSH: The explanatory power of *a hybrid model* of *French discount wine brands* will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the self/household scenario.

H2FdSE: The explanatory power of *a hybrid model* of *French discount wine brands* will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the self/household scenario.

H2FdGG: The explanatory power of *a hybrid model* of *French discount wine brands* will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the gift giving scenario.



H2FhSH: The explanatory power of *a hybrid model* of ***French household wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the self/household scenario.

H2FhSE: The explanatory power of *a hybrid model* of ***French household wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the social entertainment scenario.

H2FhGG: The explanatory power of *a hybrid model* of ***French household wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the gift giving scenario.

H2FpSH: The explanatory power of *a hybrid model* of ***French premium wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the self/household scenario.

H2FpSE: The explanatory power of *a hybrid model* of ***French premium wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the social entertainment scenario.

H2FpGG: The explanatory power of *a hybrid model* of ***French premium wine brands*** will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain the gift giving scenario.

*Panel B. Confucianism for three ethnic groups*

**The Caucasian group**

H1Fs: Caucasians' wine category choice will be not significantly associated with *face saving*.

H1Go: Caucasians' wine category choice will be not significantly associated with *group orientation*.

H1Hum: Caucasians' wine category choice will be not significantly associated with *humility*

H1Hie: Caucasians' wine category choice will be not significantly associated with *hierarchy*

H1Rec: Caucasians' wine category choice will be not significantly associated with *reciprocity*

### **The Chinese group**

H2Fs: Chinese's wine category choice will be significantly associated with *face saving*.

H2Go: Chinese's wine category choice will be significantly associated with *group orientation*.

H2Hum: Chinese's wine category choice will be significantly associated with *humility*.

H2Hie: Chinese's wine category choice will be significantly associated with *hierarchy*.

H2Rec: Chinese's wine category choice will be significantly associated with *reciprocity*.

### **The South Korean group**

H3Fs: South Koreans' wine category choice will be significantly associated with *face saving*.

H3Go: South Koreans' wine category choice will be significantly associated with *group orientation*.

H3Hum: South Koreans' wine category choice will be significantly associated with *humility*.

H3Hie: South Koreans' wine category choice will be significantly associated with *hierarchy*.

H3Rec: South Koreans' wine category choice will be significantly associated with *reciprocity*

## **3. Methodology**

### **3.1. Introduction**

This study extends previous research by Baumann and Hamin (2014). This study focused on the impact of wine attributes on the consumers' purchase behaviour. Moreover, different purchase scenarios were regarded as important external factors influencing consumers' wine category choice.

This research by contrast not only investigates the influence of marketing factors with regard to wine, but also examines consumers' cultural background and how it affects consumers' behaviour. In East Asia, Confucianism is the predominant ideology in many countries, including China, South Korean and Japan, and so the impact of Confucianism on consumer purchase was explored as well.

However, empirical wine studies did not associate wine research with Confucianism. Therefore, this study will combine six marketing factors and Confucian consumer behaviour components (CCBC) in a new research model, named the hybrid model. The hybrid model will be used to investigate the Caucasian, Chinese and South Korean consumers' wine category choice and test to what extent the hybrid model (Combining marketing factors and Confucian consumer behaviour components) can influence consumers' wine category choice. In order to answer the research questions above, this study used the quantitative research to investigate the relationship between six marketing factors, three purchase scenarios, wine brand category choice and the effect of Confucianism. A questionnaire was conducted to measure consumers' attitude towards wine selection.

## **3.2. Survey Instrument**

### **3.2.1. Questionnaire Design**

The questionnaire was designed to be as close to the experience of shopping in the real store as possible. Two separate models were developed – one for French wine, and one for Australian. The two countries' flags were showcased on the questionnaire, to indicate this. In order to collect participants' reaction towards different category wine brands, the questionnaire displayed pictures of three wine brand categories (i.e. discount brand, household brand and premium brand) of real wine products. The main attribute of these three categories was price, and so the questionnaire used dollar signs and price range to distinguish between the three wine brand categories. The price of the discount brand was up to 10 dollars; the price of the household brand wine ranged from 11 dollars to 40 dollars and the premium brand was regarded as above 40 dollars.

In order to investigate the differences between participants' purchasing intentions with regard to the three wine brand categories' choice for different situations, three scenarios (i.e. purchase for self/household use, for social entertainment use and for gift giving) were set up in the questionnaire. As this study explores the impact of Confucianism on different ethnic groups' wine category choice in three scenarios, the results were sorted into different ethnic groups. The objective of this part is to shed light on a new ground by combine two individual research models. This chapter will demonstrate the questionnaire design, data collection process and the details of methodology used to analyse the data.

### **3.2.2. The Structure of Questionnaire**

A questionnaire consisted of five components where respondents were asked several questions regarding their wine choice for three situations. They were also asked about the importance of marketing factors when they selected different wine brands for three situations as well as questions about Confucian consumer behaviour components (CCBC). Demographic questions and questions relating to their experience of drinking wine were

asked to conclude the questionnaire.

This questionnaire is adapted from Baumann and Hamin's study (2014). Their study provided a set of clear visual images of the real-world examples on a computer screen in order to probe respondents' reactions. These pictures can assist respondents in recalling previous purchasing experiences and emotional experiences about products (Changjo et.al, 1998). Respondents' purchasing experience and emotion could influence their purchase intentions with regard to the three brand categories for the three purchase scenarios. The first section of this questionnaire is designed to investigate consumers' wine category choice in three purchase scenarios, such as purchase for self/family use, social entertainment use and gift giving. The second part of the questionnaire examines the importance of six marketing factors (country of origin, price, brand image, customer satisfaction, product quality and value for money) in the three purchase scenarios (Table 3-1)

**Table 3-1: Overview of Marketing Models' Dependent and Independent Variables**

Scenarios	Independent Variables	Dependent Variables
<b>Scenario 1: Purchase for self/family use</b>	Country of origin, price, brand image, value for money and customer satisfaction.	The consumers' likelihood to choose three kinds of Australian and French wine brands: Premium brand, Household brand and discount brand
<b>Scenario 2: Purchase for social entertainment</b>		
<b>Scenarios 3: Purchase for gift giving</b>		

To measure consumers' "Confucianism", this study used the questions of Confucian consumer behaviour components (CCBC) extracted from the study by Monkhouse et al. (2012). Other studies in the field include a 1987 study by The Chinese Cultural Connection which developed a questionnaire to investigate cultural values. This questionnaire included

40 questions, a quarter of which can be labelled “Confucian work dynamism”. However, the usefulness of this study is limited because of poor analytical techniques at that time. Newman and Nollen (1996) also pointed that the perspectives this study tested are too broad to be useful.

Monkhouse et al. (2012) incorporated six earlier studies’ findings and validated a list of measurement scales regarding values identified through five sub-cultural dimensions from personal interviews with East Asian scholars. Their study developed a reasonable scale and construct to measure East Asian consumers’ Confucian values. Monkhouse (2012) identified five Confucian sub-dimensions, namely, face saving, humility, group orientation, hierarchy and reciprocity. Their study is the foundation of this study’s Confucian consumer behaviour components (CCBC). The CCBC section of this study involved 24 questions which fell into five Confucian sub-dimensions. The questionnaire is included in Appendix A.

### **3.2.3. Measurement Scale**

In terms of measurement scale, seven-point Likert scales were used in this questionnaire, where 1 represented strongly disagree and 7 represented strongly agree. The Likert scale is an important method to measure respondents’ attitudes in market research, as this method has the power to collect more information because it allows respondents to be more specific about their preferences toward the question (Albaum, 1997). Cox III (1980) assert that 5 to 9-point scales are considered as an ideal range to collect respondents’ information, since the respondents cannot select an appropriate representative to present their opinion within fewer options. Alternatives of five to nine-point Likert, nine-point scale are only applied to distinguish differences between subjects who are very alike. Using the 7-point Likert scales can identify differences in participants’ attitude and thus enhance the validity of final results, especially for East Asian participants, because early studies found that Chinese preferred to choose midpoints of a Likert scale item (Lee et al., 2002).

This study investigated different ethnic groups' attitude towards the wine category choice. Moreover, the seven-point Likert scales can weaken the extreme cultural bias due to its wider range of options (Chen et al., 1994). Therefore, it is necessary to recognise the impact of cross-cultural differences on Likert scales and the seven point Likert scale was regarded as a suitable choice to measure consumers' attitudes. Due to these reasons, the 7-point Likert scale could get more precisely respondents' positive or negative attitude from the same question in this study.

### **3.2. Data Collection**

The hard copy questionnaire was distributed in a shopping mall in a major suburb of Sydney in Australia. In principle, the respondents were selected at random. In this study, a sample of everyday shoppers needed to be collected, since the study is on consumer purchase behaviour. Every 20<sup>th</sup> shopper was invited to be a respondent. If a consumer did not agree to participate, the next eligible respondent was invited. Thus, this study conducted the data collection as close to a random sample selection process as possible.

The shopping center agreed to the questionnaire distributed in the food court area. Compared to other methods, the advantage of shopping mall intercept is the costs of this method are relatively low. Although the incidence of refusal is high, conducting this method can collect enough valid samples within a short period (Zikmund et al., 2007). The shopping mall intercept is a physical survey technique, which can control the place and the time where and when potential respondents are expected to approach (Boyd et al., 1977). Therefore, the data collection can be conducted effectively in a short period (Muhid et al., 2001).

Each shopping mall has its own position in the market and its characteristics determine what kind of customers are available and willing to answer questionnaires, which in turn influences the quality of samples (Zikmund et al., 2011). This study collected data from 600 respondents at the Westfield shopping mall, Chatswood, Sydney. Given that different

ethnicities represent the different cultural backgrounds, ethnicity is an important independent variable in this study. Westfield shopping mall Chatswood is located in a multi-ethnic community, so this shopping mall is an ideal place to approach the potential participants with different ethnic backgrounds. The shopping mall intercept controlled for the quota for ethnicity, which is aligned with Baumann and Setogawa's study (2014). This study exclusively focuses on three ethnic groups (Caucasian, Chinese and South Korean). It was beyond the scope of this study to differentiate between Australian-born Chinese and Chinese born in China or Koreans born in South Korea or Australia, they were simply self-identified as 'Chinese' or 'South Korean'. The quota of gender was controlled for and all participants were above 18 years old. This survey was completed anonymously.

### 3.2.1 Sample Size

Six hundred questionnaires were collected and of these, 532 were found to be useable. This sample included 217 Caucasians (42%), 126 Chinese (25%) and 168 South Koreans (33%). The nine respondents identified themselves as "Middle Eastern" and twelve respondents selected the "Other" option but these were not included. Because this study exclusively focuses on Caucasians, Chinese and South Korean respondents the number of valid samples is 511. An overview of the three ethnic groups is presented in Table 3-2.

**Table 3-2 Sample Overview (N=511)**

Demographic	Frequency			Percentage
<b>Gender</b>				
Male	281			55%
Female	230			45%
<b>Age</b>	M	F	Total	
18-24 years	23	49	72	14%
25-34 years	123	83	206	40.3%
35-44 years	77	43	120	23.7%
45-54 years	32	22	54	10.8%
55 plus	26	33	59	11.2%
<b>Ethnicity</b>	M	F	Total	
Caucasian	104	113	217	42%
Chinese	84	43	126	25%
South Korean	93	75	168	33%



### **3.3. Statistical Method of Analysis**

#### **3.3.1. Exploratory Factor Analysis**

The statistical analysis was conducted with IBM SPSS software. To investigate the effect of Confucian consumer behaviour components on three ethnic groups, exploratory factor analysis was performed on the 24 items using a Varimax rotation. Exploratory factor analysis clusters several factors in a similar dimension, which is a more parsimonious set of testing factors (Thompson, 2005, p5, p49). This procedure is applied to assist in selecting a number of testing factors and yields a simple structure in order to make the result interpretable (Roger and Alberto, 2009).

According to the primary result of the exploratory factor analysis, the 24 items resulted in seven factors rather than an extraction of five factors. The main difference between the result and the expected outcome is the relationship with the group orientation dimension.

Question 1, question 3 and question 5 (Group orientation dimension) were classified into two new dimensions, because the questions of group orientation can be considered as three perspectives. First, one question tests personal attitude towards social norms or customs; second, two questions examine personal behaviours, and the remaining questions investigate respondents' choice between their interest and others' opinion if there was a conflict. Therefore, this study removed three questions of group orientation whose community value and factor loading did not reach the expected standard.

In order to conduct robust statistics, these three values were considered outliers and were thus excluded. This method can decrease the impact of outliers on results and ensure the probability distributions are normal (Huber, 1981). Although this factor analysis deleted three factors, the 21 items tested explained 59% of the variance and individual community value is above the 0.5 minimum level (Monkhouse et al., 2012; Hair et al., 2009). The outcome of this analysis was that the remaining 21 items resulted in five Confucian consumer behaviour components. The factor loading matrix can be found in the following table (Table 3-3).

**Table 3-3 Factor loading matrix**

			Component				
Items	Cronbach alpha		1	2	3	4	5
Face saving	0.786	FS1	0.725				
		FS2	0.800				
		FS3	0.740				
		FS4	0.620				
		FS5	0.618				
Group orientation	0.414	G2		0.583			
		G4		0.846			
Humility	0.837	HUM1			0.715		
		HUM2			0.774		
		HUM3			0.806		
		HUM4			0.726		
		HUM5			0.802		
Hierarchy	0.709	HIE1				0.679	
		HIE2				0.642	
		HIE3				0.803	
		HIE4				0.618	
Reciprocity	0.797	REC1					0.569
		REC2					0.712
		REC3					0.747
		REC4					0.779
		REC5					0.744
Notes: Extraction method, factor analysis; Rotation method: Varimax							

### **3.3.2 Confirmatory Factor Analysis and Scale Validation**

Confirmatory factor analysis was administered to test the Confucian consumer behaviour component in this study. This study used multi-item scales to examine respondents' "Confucianism". The reliability of the 21 items (Confucian consumer behaviour components) was judged by using the Cronbach alpha ( $\alpha$ ) with high construct reliability (achieved 0.83), that is, well in the benchmark of excellent (Hair et al. 2009). However, the Cronbach alpha value of group orientation dimension was 0.414, this is based on only two items were examined. The number of questions is also a significant factor to influence the Cronbach alpha value. Cortina (1993, p103) demonstrated that "Cronbach alpha is affected by the number of items as well as it can be used as a confirmatory measure of unidimensionality or as a measure of the strength or a dimension once the existence of a single factor has been determined." Churchill (1995, p.981) also suggested that "over-factoring by one or two factors has less severe consequences for the final solution than does taking too few factors into rotation". In other words, the low Cronbach alpha for group orientation is likely due to only 2 items being induced. All the other dimensions' reliability coefficients arrived at an acceptable value ranging from 0.709 to 0.837. Details of this part can be found in Appendix B.

In order to identify the cultural difference among three ethnic groups, Analysis of Variance (ANOVA) with post hoc analysis was used in this study. ANOVA is widely applied to many disciplines, such as biological science, physical science and market research (Ronald, 1996, p109). ANOVA is used to test the difference between group means and other statistic procedures such as 'variation' and 't-test'. In particular, when the differences among groups cannot be stated quantitatively, ANOVA is most useful to deal with this problem (Agresti and Finlay, 2009; Larson, 2008). Although running ANOVA would increase the probability of resulting in the statistical type I error, ANOVA is a helpful means to compare and test more than three groups (Larson, 2008).

### **3.3.3. Backward Deletion Regression**

In order to understand clearly the importance of different factors influencing consumers' wine purchasing behaviour, Australian and French wine choice models were tested separately via multiple regressions. The study used 'backward deletion' regression analyses to arrive at the most parsimonious models (three scenarios: purchase for self/family use, for social entertainment and gift giving). The predictor variables can be divided into two models: one is the marketing factor model comprising country of origin, brand image, customer satisfaction, price, product quality and value for money; another is the Confucian consumer behaviour component contained hierarchy, reciprocity, group orientation, humility and face saving. Applying the 'backward deletion' method is suitable to filter the statistically significant predictors and finally the remaining predictors can be linked with the dependent variables respectively. This type of stepwise regression model has been widely used in the marketing research studies (Baumann and Hamin, 2014; Geoffrey et al., 1992).

Initially, the full model involved all variables and every step progressively deleted variables. These exclusions were not significant to fit the model after running 'backward deletion' method (Roger and Charles, 2009). The variable is measured by the size of the t test or equivalent F test examines whether the corresponding coefficient is zero (Ronald, 1996 p.427). There are two reasons to choose 'backward deletion' regression in this study. Firstly, using 'backward deletion' regression can isolate the most important factors which influence respondents' wine category choice in different scenarios and then simplify the research models. Secondly, this method can compare the marketing model, Confucian consumer behaviour components model and the hybrid model and examine which has the stronger explanatory power.

### **3.4. Summary**

This chapter provides an overview of the methodology adopted to conduct an analysis of consumers' "level of Confucianism" and makes a comparison among three research models (marketing model, CCBC model and hybrid model). It also establishes the Confucian consumer behaviour components (CCBC) model and confirms it as valid.

## **4. Results**

### **4.1. Introduction**

The main aim of this study is to distinguish the differences of wine category choices for three scenarios among three ethnic groups (i.e. Caucasian, Chinese and South Korean) and then examine the extent to which Confucianism can explain consumers' wine category choices more fully than a model with only a single dimension. The purpose of this study was to investigate whether Confucianism would associate with the different ethnic groups' wine category choices. As established in the literature review, Confucianism deeply informs East Asian culture and has influenced East Asian consumers' purchase behaviour for a long time. This study will establish that East Asian consumers do follow the Confucian values in various aspects of life, at least to a degree, on different social occasions, such as gift giving and other social activities. Importantly, this study contrasts the influence of "Confucian values" on Caucasian as well as East Asian consumer behaviour.

In terms of wine research, the literature review establishes the marketing factors contributing to consumers' choice of wine by category. This study establishes a new construct which combines marketing factors with Confucian consumer behaviour components (CCBC) to determine reasons for consumers' wine category choice. Confucian values have not yet been investigated in this context. This new model contains six marketing factors and five dimensions of CCBC, and this study identifies this new model as 'the hybrid model'.

In this chapter, section 4.2 explains differences between the "Confucianism" for three different ethnic respondent groups (Caucasian, Chinese and South Korean). Secondly, section 4.3 will present choice of Australian and French wine brands for ethnic groups.

Finally, the hybrid model for three category choices is shown in section 4.4.

## **4.2. Confucianism for Caucasian, Chinese and South Korean**

ANOVA (analysis of variance) and post hoc tests (Appendix C) were performed to identify the statistically significant differences of Confucian consumer behaviour components (CCBC) across the three ethnic groups. Confucian consumer behaviour components (CCBC) consist of five dimensions adapted from the study by Monkhouse et al. (2012). Monkhouse (2012) selected these five dimensions to measure respondents' Confucianism. In this study, according to the analysis, there are significant differences for each Confucian consumer behaviour component ( $p < 0.001$ ) across all ethnic groups (Caucasian, Chinese and South Korean) (Table 4-1). The research used the 7-point Likert scale to measure respondents' Confucianism, 1 representing "strongly disagree", 7 representing "strongly agree" and 4 representing neutral. In this analysis of results, this study used the "mean" method to describe the sample, since Monkhouse's study (2012) used this method (mean) to analyse the data and explain respondents' Confucian value. With regards to the result of Monkhouse's study (2012), the respondents' level of Confucianism is positive and the results of this study resemble Monkhouse's findings.

Based on the mean score, the respondents' level of "Confucianism" is in the mid-range and the range of five dimensions is from 3.86 to 5.25. Moreover, Caucasian respondents' grade of Confucianism, followed by Chinese groups, is higher than the South Korean group. Thus, these results show that different ethnic respondents have differing scores in "Confucianism" (Table 4-1).

**Table 4-1 Comparison of CCBC among three ethnic groups.**

<b>CCBC</b>	<b>Respondent groups :</b> <i>Mean</i> <i>SD</i>			<b>Significance</b>	
	<b>Caucasian</b>	<b>Chinese</b>	<b>South Korean</b>	<b>F value</b>	<b>p-Value</b>
<b>Face saving</b>	4.77 1.04	5.22 1.00	4.53 0.83	18.24	<0.001
<b>Group orientation</b>	3.90 1.33	4.40 1.14	4.45 1.03	12.27	<0.001
<b>Hierarchy</b>	4.40 0.99	4.98 1.10	3.86 0.97	44.34	<0.001
<b>Humility</b>	4.58 1.18	5.15 0.91	4.41 1.03	21.31	<0.001
<b>Reciprocity</b>	5.23 1.02	5.25 0.89	4.67 0.98	18.86	<0.001
Notes: CCBC=Confucian consumer behaviour components, n=511					

In terms of the mean value, each ethnic group's level of each component of the CCBC construct is different significantly. Chinese respondents' Confucianism is the strongest in all four components except the group orientation dimension. Interestingly, the following group, Caucasian respondents, had higher scores than the South Korean respondents in most components based on the mean score. The South Korean group' level of all components is around the neutral point, but their level regarding group orientation is strongest among the three ethnic groups (Table 4-1).

#### *Comparison of hierarchy dimension among three ethnic groups*

Chinese respondents have the highest score (4.98) within the three ethnic groups with regard to the hierarchy dimension. Caucasian respondents' score of hierarchy exceeded the mid-point as well. While the difference in hierarchy dimension between Caucasian and Chinese respondents is significant, both of them have the high level of hierarchy. By contrast, the South Korean mean score about the hierarchy is relative low (3.86). This finding provides a clear sign to break the old stereotype in the Confucianism studies (Table 4-1).



#### *Comparison of reciprocity dimension among three ethnic groups*

As for the reciprocity dimension, all respondent groups revealed the highest mean score compared with other CCBC components. These three ethnic groups emphasized the importance of reciprocity in their social and business life and prefer to follow the rules of reciprocity, especially Caucasian and Chinese groups, since their mean values are over 5.00 (5.23 and 5.25 respectively). Interesting, the Caucasian and Chinese respondents' level of reciprocity is nearly identical, whereas South Korean respondents' had got 4.67 score, nevertheless, the second high score for South Koreans means important. The difference in reciprocity between these two ethnic groups is not significant based on the result of post hoc tests (Appendix C). South Korean's mean score of reciprocity is lower than the other ethnic groups, but their reciprocity is over neutral point (4.67) (Table 4-1).

#### *Comparison of group orientation dimension among three ethnic groups*

The Caucasian respondents' level of group orientation is indeed the lowest compared to the other components of CCBC. Compared with Caucasian respondents, Chinese and South Korean people both value group orientation similarly and post hoc tests (Appendix C) also show no significant difference between the Chinese and South Koreans (Table 4-1).

#### *Comparison of humility dimension among three ethnic groups*

In stark contrast, the post hoc tests (Appendix C) shows that Caucasian and South Korean's humility is similar and no significant difference is revealed. Caucasian and South Korean respondents' level of humility is over neutral (4.58 and 4.41 separately) and they tend to be a humble individual. For Chinese respondents, humility is important to them as well and Chinese respondents (mean=5.15) are statistically more humble compared with other groups (Table 4-1).

#### *Comparison of face saving dimension among three ethnic groups*

Finally, a surprising result of the face saving dimension is apparent among the three ethnic groups. Face saving is important for all ethnic groups and the position of face saving is ranked second out of five components, only exceeded by reciprocity dimension. The

Chinese respondent is more face saving orientated (5.22) and the tendency of respondents who belong to Caucasian and South Korean groups for face saving is stronger than neutral too (Caucasian=4.77, South Korean=4.53). According to this result, Caucasian respondents are seen to be more sensitive to face saving than South Koreans, which is also a new finding (Table 4-1).

To sum up, the analysis of comparison of Confucian consumer behaviour components among three ethnic groups (Caucasian, Chinese and South Korean) provides evidence that reveals significant differences of “Confucianism” among the three ethnic groups. This finding established a stable foundation to explain the importance of Confucianism on wine category choice. If the Confucianism of three ethnic groups were not different, this study would not need three models to explain consumer’ wine category choices. The total results of post hoc tests can be found in the Appendix C.

#### **4.3. Choices of Australian and French Wine Brand for Ethnic Groups**

In this study, the wine brand is classified into three categories based on the price. The wine whose price is up to 10 dollars is regarded as discount wine. The price range of household brand is from 11 dollars to 40 dollars. The price of premium wine is above 40 dollars.

The aforementioned discussion in the literature review demonstrates that marketing factors and culture can affect consumers’ purchase behaviour. Nevertheless, the sole model (marketing model and CCBC model) is limited to explain consumers’ wine category choices. Thus, this study combines marketing factors and Confucian consumer behaviour components to be a hybrid model, in the hope of better explaining consumers’ wine category choices. This section will use the explanatory power of the hybrid model to explain the choice of these three categories of wine brand (i.e. discount wine brand, household wine brand and premium wine brand, both Australian and French) for the three ethnic groups.

Australian wine is the representative of new wine world and French wine is regarded as the member of old wine world. Choosing these two countries' wine product is to make the comparison of consumers' attitude towards Australian wine and French wine in the same situations. The French wine industry has a long production history, well-known brands and wineries such as Chateaux Margeaux. By comparison, the Australian wine industry does not have the benefit of a long wine legacy. However, the Australian wine industry does benefit from their marketing positioning, innovative product and brands. Due to this reasons, the Australian wine and French wine are selected to investigate in this study.

#### **4.3.1. Choices of Australian and French Discount Wine Brand for Ethnic Groups**

For the discount wine brand, the hybrid model explains variance in the data more powerfully than the marketing model and the Confucian consumer behaviour components models (CCBC) alone. The range of explanatory powers of the hybrid model is larger. The explanatory power of choice of Australian and French discount wine brand is presented in Table 4-2. As mentioned earlier, the study only picked up on and explained the most cumulative value of the hybrid model among the three purchase scenarios for each ethnic group.

**Table 4-2 Choices of Australian and French discount wine brand for ethnic groups**

Ethnicity		Australian Wine (Discount brand) Adjusted R <sup>2</sup>			French Wine (Discount brand) Adjusted R <sup>2</sup>		
		Self/house hold-use	Social- use	Gift giving	Self/household -use	Social- use	Gift giving
<b>Caucasian</b>	Marketing model	1.1%	0.9%	5.5%	0.8%	9.7%	6.1%
	CCBC model	4.7%	3.1%	6.7%	5.1%	1.2%	3.7%
	Hybrid model	5.6%	4.3%	10.7%	6%	10.9%	13.1%
<b>Chinese</b>	Marketing model	15.9%	6.2%	18.5%	14.1%	27.5%	13.8%
	CCBC model	11.0%	17.2%	7.2%	8.9%	18.4%	5.4%
	Hybrid model	31.4%	23.7%	27.7%	17.1%	31.2%	20.6%
<b>South Korean</b>	Marketing model	1.5%	10.0%	8.1%	3.7%	7.8%	9.4%
	CCBC model	10.3%	11.1%	24.1%	17.8%	15.3%	17.7%
	Hybrid model	10.3%	15.5%	33.8%	17.8%	21.1%	24.5%
Notes: CCBC=Confucian consumer behaviour components							

Thus, the examples of explanatory power in this study ranges from 10.7% to 33.8%. For Caucasian respondents, the hybrid model explains 10.7% and 13.1% of the variance respectively for choosing Australian and French discount wine brands for gift giving, but the hybrid model shows that explanatory power is relatively low compared with other ethnic groups. Compared with the Caucasian' sample group, the explanatory power of the hybrid model for South Koreans choosing Australian discount wine and French discount wine for gift giving achieves 33.8% and 24.5% respectively. In contrast, for Chinese respondents, the adjusted R square value for choosing Australian discount wine for self/household use is 31.4% in comparison to 31.2% for choosing French discount wine for social entertainment-use.

#### **4.3.2. Choices of Australian and French Household Wine Brand for Ethnic Groups**

With regard to household wine brand, an explanatory power of 32.5% and 19.7% explains Chinese respondents who purchase Australian household wine for self/household use and French household wine for social entertainment situations (Table 4-3). For Caucasian respondents, the  $R^2$  value for choosing Australian household brands for social entertainment-use amounts to 15.3% of the variance of the hybrid model whereas the explanatory power of purchasing French household wine for gift giving is only 6.7%. In terms of the South Koreans, the explanatory power of choosing Australian household wine brand is still relatively high, explaining 31.5% in comparison to the purchasing French household wine for self/household use (24.2%). Based on the explanatory powers discussed above, the scope of adjusted  $R^2$  value of household wine brand this study selected is from 6.7% to 32.5% and the gap between highest and lowest value is very large. These results provide the evidence to confirm the importance of hybrid model to explain consumers wine category choice.

**Table 4-3 Choices of Australian and French household wine brand for ethnic groups**

Ethnicity		Australian Wine (Household brand) Adjusted R <sup>2</sup>			French Wine (Household brand) Adjusted R <sup>2</sup>		
		Self/house hold-use	Social- use	Gift giving	Self/household -use	Social- use	Gift giving
<b>Caucasian</b>	Marketing model	7.9%	15.3%	nme	4%	4.7%	6.7%
	CCBC model	nme	2.2%	5.0%	2.5%	1.2%	nme
	Hybrid model	7.9%	15.3%	5.0%	5.8%	6.0%	6.7%
<b>Chinese</b>	Marketing model	30.3%	23.1%	22.9%	4.9%	4.5%	nme
	CCBC model	8.6%	9.1%	4.3%	9.7%	17.3%	9.2%
	Hybrid model	32.5%	25.0%	24.5%	14.5%	19.7%	9.2%
<b>South Korean</b>	Marketing model	2.4%	13.5%	26.3%	8.7%	9.9%	15.9%
	CCBC model	3.8%	15.1%	9.1%	15.9%	17.1%	19.0%
	Hybrid model	6.9%	20.7%	31.5%	24.2%	21.8%	22.5%
Notes: nme=no model emerged, CCBC=Confucian consumer behaviour components							

There is a significant difference in explanatory power between the marketing model and the CCBC model. For the discount brand model, while several explanatory powers are too low, each separated model had the power to explain the differences. Interestingly, fewer marketing or CCBC models did not appear the explanatory power in household brand models, such as Caucasian sample's CCBC model for self/household scenario (Australian wine) and gift giving scenario (French wine). Besides, there was no explanatory power of marketing model to be found in Chinese group who purchase French household wine for gift giving.

#### **4.3.3. Choices of Australian and French Premium Wine Brand for Ethnic Groups**

Surprisingly, for the Australian premium wine brand, neither the marketing model nor the CCBC model nor the hybrid model had the power to explain the Caucasian group choosing premium brand for self/household-use (Table 4-4). On the other hand, the  $R^2$  value explains only 8.9% of Caucasian respondents selecting Australian premium wine brand for gift giving. By comparison, the explanatory power of choosing French premium wine (explained 20.8%) is stronger than for Australian wine. Indeed, the value of this explanatory power is the highest within the result of the Caucasian sample group. In light of the Chinese respondents, the explanatory power of Australian premium wine arrives at 20.6% (Chinese), which is stronger than the Caucasian's value. Respectively, the adjusted  $R^2$  value for French premium wine brand illustrates that the variances of the hybrid model for two scenarios (Social entertainment use and gift giving respectively) are 28.8% and 27.0%. In contrast, for South Korean respondents, the adjust  $R^2$  value achieves 35.3% demonstrating that the hybrid model presents substantial explanatory power of choosing Australian wine for social entertainment-use.

**Table 4-4 Choices of Australian and French premium wine brand for ethnic groups**

Ethnicity		Australian Wine (Premium brand) Adjusted R <sup>2</sup>			French Wine (Premium brand) Adjusted R <sup>2</sup>		
		Self/house hold-use	Social- use	Gift giving	Self/household -use	Social- use	Gift giving
<b>Caucasian</b>	Marketing model	nme	3.9%	3.8%	2.8%	5.4%	13.9%
	CCBC model	nme	4.3%	4.7%	2.3%	7.2%	11.0%
	Hybrid model	nme	7.8%	8.9%	4.8%	10.9%	20.8%
<b>Chinese</b>	Marketing model	2.6%	5.3%	11.9%	9.0%	13.3%	3.2%
	CCBC model	9.2%	6.0%	8.4%	10.2%	19.1%	21.0%
	Hybrid model	12.1%	13.0%	20.6%	17.4%	28.8%	27.0%
<b>South Korean</b>	Marketing model	14.7%	22.0%	27.2%	4.9%	5.5%	23.2%
	CCBC model	11.3%	13.4%	11.2%	1.5%	1.4%	2.6%
	Hybrid model	18.5%	35.2%	30.9%	6.9%	11.5%	24.5%
Notes: nme=no model emerged, CCBC=Confucian consumer behaviour components							

As for South Korean respondents, the hybrid model shows that the explanatory power of choosing French premium wine brands for gift giving is higher than other scenarios (24.5%). This result is noteworthy in showing that the power of the hybrid model overcomes single model to explain respondents' behaviour in purchasing the premium wine brand.

#### **4.4. Hybrid Model for Australian and French Wine Brand Choice**

Once again the hybrid model shows stronger explanatory power than the other individual models. As mentioned earlier, this study only focuses on the highest explanatory power within three scenarios for each ethnic group. Therefore, this part will demonstrate the



significant variables for the scenarios selected based on this criterion.

#### **4.4.1. Hybrid Model for Australian and French Discount Wine Brand**

Overall, value for money affects all ethnic groups in wine category choice who choose discount wine brands, so it can be considered a key factor in the model. Although respondents purchase discount wine brands for different consumption scenarios, the power of value for money is important in this category of wine brand. This result shows that the price and value for money are very important factors that influence Caucasian consumer choices for Australian and French wine for gift giving. However, this study found that the less important value for money for Caucasians, the more likely they are to choose discount wine brand for gift giving. Similarly, reciprocity also presented a negative coefficient of association in choosing Australian discount wine brands. Furthermore, Caucasian respondents with low level of reciprocity and humility prefer to choose French discount wine brand as a gift. On the other hand, the country of origin and face saving could influence slightly the Caucasians choosing Australian discount wine brands for gift giving (Table 4-5).

**Table 4-5 Hybrid model for Caucasian Australian and French discount wine brand**

Hybrid Model	Australian wine (Discount brand)			French wine (Discount brand)		
	Gift giving			Gift giving		
	R <sup>2</sup> = .124 Adjusted R <sup>2</sup> = .107			R <sup>2</sup> = .151 Adjusted R <sup>2</sup> = .131		
	Standardized coefficients Beta	t	Sig.	Standardized coefficients Beta	t	Sig.
Country of origin	.127	1.946	.053 *			
Price	.197	2.948	.004 **	.315	4.077	.000 ***
Brand image						
Customer satisfaction						
Product quality				-.164	-2.460	.015 **
Value for money	-.163	-2.434	.016 **	-.219	-2.828	.005 **
Hierarchy						
Reciprocity				-.187	-2.754	.006 **
Group orientation	-.239	-3.682	.000 ***			
Humility				-.180	-2.629	.009 **
Face saving	.110	1.886	.061 *			
Notes: ***= p<0.001    **= p<0.05    *= p<0.1						

By comparison, seven significant predictors influence Chinese consumers to choose discount wine for self/household use in comparison with choosing French discount wines for social entertainment-use (Table 4-6). For Australian discount wine brands, it was found that brand image, country of origin and value for money are significantly associated with the Caucasians' purchasing behaviour. Moreover, Chinese respondents who are more hierarchical and group orientated, prefer Australian discount brand wines for self/household-use. On the other side, the negative effect of price and product quality

appears in Chinese consumers purchasing Australian discount wine brands for self/household-use. In relation to French discount brand wines, the power of brand image is the strongest than other factors ( $p < 0.001$ ) in the social entertainment situation and group orientation could affect Chinese respondents' choosing preference in this consumption scenario as well. As for value for money, it is found that the negative effect on purchasing behaviour, when Chinese respondents buy French discount wine for social entertainment use.

**Table 4-6. Hybrid model for Chinese Australian and French discount wine brand**

Hybrid Model	Australian wine (Discount brand)			French wine (Discount brand)		
	Self/household-use			Social entertainment use		
	$R^2 = .353$ Adjusted $R^2 = .314$			$R^2 = .329$ Adjusted $R^2 = .312$		
	Standardized coefficients Beta	t	Sig.	Standardized coefficients Beta	t	Sig.
Country of origin	.260	3.048	.003 **			
Price	-.157	-1.833	.069 *			
Brand image	.324	3.937	.000 ***	.492	5.595	.000 ***
Customer satisfaction						
Product quality	-.158	-1.964	.052 *			
Value for money	.246	3.030	.003 **	-.158	-1.954	.053 *
Hierarchy	.292	.3.719	.000 ***			
Reciprocity						
Group orientation	.219	2.762	.007 **	.206	2.438	.016 **
Humility						
Face saving						
Notes: ***= $p < 0.001$ **= $p < 0.05$ *= $p < 0.1$						

In terms of South Korean samples, statistically significant findings are presented in Table 4-7. In light of purchasing Australian discount wine brands for gift giving, it was found that the brand image and product quality have the significant negative effect on the choice preference of South Koreans. Moreover, South Korean respondents with the low level of reciprocity are more likely to purchase Australian discount wine brands for gift giving. In contrast, it appears in the hybrid model that product quality and hierarchy cues with positive coefficients. But South Korean respondents who have the low level of three components of CCBC (i.e. reciprocity, hierarchy and humility) tend to purchase French discount wine brands for gift giving.

More interestingly, South Korean respondents always pay more attention to customer satisfaction cue ( $p < 0.001$ ) for Australian discount brand wine and to country of origin cue ( $p < 0.001$ ) for French discount brand wine, when they want to purchase it as a gift.

**Table 4-7. Hybrid model for South Korean Australian and French discount wine brand**

Hybrid Model	Australian wine (Discount brand)			French wine (Discount brand)		
	Gift giving			Gift giving		
	R <sup>2</sup> = .362 Adjusted R <sup>2</sup> = .338			R <sup>2</sup> = .267 Adjusted R <sup>2</sup> = .245		
	Standardized coefficients Beta	t	Sig.	Standardized coefficients Beta	t	Sig.
Country of origin				.250	3.564	.000 ***
Price						
Brand image	-.127	-1.921	.057 *			
Customer satisfaction	.350	4.344	.000 ***			
Product quality	-.236	-2.572	.011 **			
Value for money	.243	2.688	.008 **	.133	1.698	.091 *
Hierarchy	.169	2.588	.011 **			
Reciprocity	-.524	-7.919	.000 ***	-.225	-3.176	.002 **
Group orientation				-.270	-3.624	.000 ***
Humility				-.185	-2.389	.018 *
Face saving						
Notes: ***= p<0.001    **= p<0.05    *= p<0.1						

#### 4.4.2. Hybrid Model for Australian and French Household Wine Brand

The Caucasians' choosing Australian household brands for social entertainment situations is impacted by two significant factors: brand image and product quality. The power of these two predictors is very strong to affect Caucasian respondents' preference. By comparison, Caucasian respondents are concerned about country of origin and price issues,

when they select French household wine brands for gift giving, where the price cue considered most significant ( $P < 0.001$ ). No components of CCBC influence Caucasian purchasing preference in this model (Table 4-8).

**Table 4-8 Hybrid model for Caucasian Australian and French household wine brand**

Hybrid Model	Australian wine (Household brand)			French wine (Household brand)		
	Social entertainment-use			Gift giving		
	$R^2 = .161$ Adjusted $R^2 = .153$			$R^2 = .075$ Adjusted $R^2 = .067$		
	Standardized coefficients Beta	t	Sig.	Standardized coefficients Beta	t	Sig.
Country of origin				.112	1.698	.091 *
Price				.247	3.748	.000 ***
Brand image	.209	3.026	.003 **			
Customer satisfaction						
Product quality	.265	3.845	.000 ***			
Value for money						
Hierarchy						
Reciprocity						
Group orientation						
Humility						
Face saving						
Notes: ***= $p < 0.001$ **= $p < 0.05$ *= $p < 0.1$						

The Chinese respondents' pattern of predictors for choosing household brand wine for two consumption scenarios are showed in the Table 4-9. In terms of Australian household wine brands, for Chinese participants, the more important the cues of price, brand image and customer satisfaction are for them, they inclined to purchase household brand wine for self/household use. In this model, Chinese respondents who are more humble prefer to choose Australian household wine brands for the self/household situation. In contrast, three components of CCBC (i.e. hierarchy, reciprocity and humility) are significantly associated with the Chinese purchase of French wine for social entertainment–use (Table 4-9). In this French wine model, the CCBC components provide the predominant contribution compared with product quality. Chinese respondents do not seem as concerned about the product quality when they choose French household brand wine for social entertainment-use.

**Table 4-9 Hybrid model for Chinese Australian and French household wine brand**

Hybrid Model	Australian wine (Household brand)			French wine (Household brand)		
	Self/household-use			Social entertainment-use		
	$R^2 = .352$ Adjusted $R^2 = .325$			$R^2 = .223$ Adjusted $R^2 = .197$		
	Standardized coefficients Beta	t	Sig.	Standardized coefficients Beta	t	Sig.
Country of origin						
Price	.406	5.136	.000 ***			
Brand image	.262	3.445	.001 **			
Customer satisfaction	.196	2.502	.014 **			
Product quality				-.190	-2.123	.036 **
Value for money						
Hierarchy				.178	1.982	.050 *
Reciprocity				.174	1.816	.072 *
Group orientation	-.146	-1.745	.084 *			
Humility	.181	.235	.027 **	.310	3.628	.000 ***
Face saving						
Notes: ***= $p < 0.001$ **= $p < 0.05$ *= $p < 0.1$						

For South Korean respondents, customer satisfaction and product quality are important factors for gift giving when they purchase the Australian household brand wines. Furthermore, the South Korean group with a low level of hierarchy prefers Australian household wine brands for gift giving (Table 4-10). With regard to the French household wine brand, all significant predictors are positive. Three most significant results that French household wine brand is chosen for self/household-use, because of brand image,



hierarchy and reciprocity ( $p < 0.001$ ). When South Korean respondents purchase French household brand wine, these factors are considered carefully by them. Besides, value for money also drives their intention of purchasing French household brand wine on this consumption scenario.

**Table 4-10. Hybrid model for South Korean Australian and French household wine brand**

Hybrid Model	Australian wine (Household brand)			French wine (Household brand)		
	Gift giving			Self/household-use		
	$R^2 = .328$ Adjusted $R^2 = .315$			$R^2 = .265$ Adjusted $R^2 = .242$		
	Standardized coefficients Beta	t	Sig.	Standardized coefficients Beta	t	Sig.
Country of origin						
Price						
Brand image				.273	3.878	.000 ***
Customer satisfaction	.172	2.344	.020 **			
Product quality	.428	5.795	.000 ***			
Value for money				.202	2,319	.022 **
Hierarchy	-.267	-4.150	.000 ***	.288	4.197	.000 ***
Reciprocity				.271	3.738	.000 ***
Group orientation						
Humility						
Face saving						
Notes: ***= $p < 0.001$ **= $p < 0.05$ *= $p < 0.1$						

#### **4.4.3 Hybrid Model for Australian and French Premium wine brand**

For the Caucasian group, their decision to choose premium Australian and French wine brands for gift giving is showed in Table 4-11. Overall, this table presents the negative effect of price consideration on their intention to purchase Australian and French premium brand wine for gift giving. By contrast, brand image and group orientation play important roles in influencing the Caucasian respondents' purchasing preference for gift giving. With regard to Australian premium wine brands, Caucasian purchasing intention is also driven by two significant predictors: customer satisfaction and humility. Similarly, two significant factors emerged in the purchase of French premium wine which were hierarchy and face saving. Surprisingly, Caucasian respondents who have a low level of face saving tend to select French premium wine brand for gift giving (Table 4-11).

**Table 4-11. Hybrid model for Caucasian Australian and French premium wine brand**

Hybrid Model	Australian wine (Premium brand)			French wine (Premium brand)		
	Gift giving			Gift giving		
	R <sup>2</sup> = .111 Adjusted R <sup>2</sup> = .089			R <sup>2</sup> = .227 Adjusted R <sup>2</sup> = .208		
	Standardized coefficients Beta	t	Sig.	Standardized coefficients Beta	t	Sig.
Country of origin						
Price	-.179	-2.580	.011 **	-.115	-1.796	.074 *
Brand image	.129	1.901	.059 *	.335	5.300	.000 ***
Customer satisfaction	.183	2.616	.010 **			
Product quality						
Value for money						
Hierarchy				.210	3.060	.002 **
Reciprocity						
Group orientation	.194	2.958	.003 **	.160	2.560	.011 *
Humility	.112	1.681	.094 *			
Face saving				-.219	-3.198	.002 **
Notes: ***= p<0.001    **= p<0.05    *= p<0.1						

For Section 4.3.3, the results of explanatory power show that the difference between Chinese respondents choosing French premium brand for two scenarios is not distinct. Thus, this part shows the significant predictors of these two scenarios. The overview of significant variables of Australian and French premium wine brands for Chinese group is presented in the Table 4-12. With regard to Australian premium wine brands, the product

quality is perceived to be most significant in determining the Chinese purchase tendency for gift giving ( $P < 0.001$ ). For the Chinese group, the less important price for them, the more likely they are choose Australian premium wine brands for gift giving.

In contrast, Chinese respondents could focus on the face saving and humility in this scenario when they choose Australian premium wine brands. In terms of French premium wine brands, the significant predictors of the two consumption scenarios are same. For social entertainment-use and gift giving situations, the less important price and brand image for Chinese respondents, the more likely they are to choose French premium wine brand for these two situations. On the other hand, the purchasing behaviour of Chinese respondents is more influenced by several factors of CCBC, such as hierarchy, reciprocity, group orientation and face saving. Particularly, the high level of reciprocity and face saving are indicated as most significant factors to influence Chinese respondents choosing French premium wine brands for social entertainment-use and gift giving.

**Table 4-12. Hybrid model for Chinese Australian and French premium wine brand**

Hybrid Model	Australian wine (Premium brand)			French wine (Premium brand)		
	Gift giving			Social entertainment-use /gift giving		
	R <sup>2</sup> = .231 Adjusted R <sup>2</sup> = .206			R <sup>2</sup> = .322/.299 Adjusted R <sup>2</sup> = .288%/.270%		
	Standardized coefficients Beta	t	Sig.	Standardized coefficients Beta	t	Sig.
Country of origin						
Price	-.229	-2.839	.005 **	-.235/-.243	-2.901/ -3.138	.004**/ .002**
Brand image				-.165/-.067	-1.966/ -.674	.052*/ .051*
Customer satisfaction						
Product quality	.314	3.880	.000 ***			
Value for money						
Hierarchy				.190/.275	2.184/ 3.156	.031**/ .002**
Reciprocity				.370/.177	3.953/ 1.881	.000****/ .062*
Group orientation				.150/-.140	1.864/ -1.772	.065*/ .088*
Humility	.201	2.461	.015 **			
Face saving	.203	2.476	.015 **	.315/.241	3.696/ 2.634	.000****/ .010**
Notes: ***= p<0.001    **= p<0.05    *= p<0.1						

For South Korean respondents, there are many significant factors to influence them in choosing Australian premium wine brands for social entertainment-use (Table 4-13). The cues of country of origin and product quality are significant marketing factors to influence South Korean purchasing attitude ( $P<0.001$ ). As with the Chinese group, South Korean respondents do not focus on the price cue for choosing Australian premium wine brands in

this scenario. As shown in the CCBC model, South Korean respondents with a lower level of hierarchy, reciprocity and humility, are more likely to choose Australian premium brands for social entertainment situation. By comparison, the South Koreans' likelihood of purchasing French premium wine brands for gift giving is associated with two significant factors: brand image and product quality (Table 4-13).

**Table 4-13. Hybrid model for South Korean Australian and French premium wine brands**

Hybrid Model	Australian wine (Premium brand)			French wine (Premium brand)		
	Social entertainment-use			Gift giving		
	R <sup>2</sup> = .383 Adjusted R <sup>2</sup> = .352			R <sup>2</sup> = .258 Adjusted R <sup>2</sup> = .245		
	Standardized coefficients Beta	t	Sig.	Standardized coefficients Beta	t	Sig.
Country of origin	.304	4.372	.000 ***			
Price	-.239	-3.133	.002 **			
Brand image				.496	7.074	.000 ***
Customer satisfaction						
Product quality	.369	4.663	.000 ***	-.124	-1.780	.077 *
Value for money						
Hierarchy	-.131	-1.748	.082 *			
Reciprocity	-.409	-5.067	.000 ***			
Group orientation						
Humility	-.195	-2.774	.006 **			
Face saving	.164	2.037	.043 **			
Notes: ***= p<0.001    **= p<0.05    *= p<0.1						

## **5. Discussion**

### **5.1. Introduction**

To reiterate, the purpose of this study is to understand that whether Confucianism could influence consumers' wine category choice. This chapter interprets the findings of the research result to answer the study's four research questions.

The first research question of this study is to understand the three ethnic groups' preference of wine category choice for three scenarios. The second research question is to investigate whether the explanatory power of hybrid model exceeds the sole marketing model and the sole CCBC model to explain three ethnic groups' wine category choice for three scenarios. The discussion of the third research question asserts the role of Confucianism and how it influences our three ethnic groups' wine category choice in the three scenarios. The fourth research question seeks to identify the drivers of three ethnic groups' wine category choice in the three scenarios.

### **5.2. Comparison of Confucianism for Three Ethnic Groups**

Based on the results of the ANOVA test and post hoc tests, there is a significant difference of "Confucian" consumer behaviour components (CCBC) among three ethnic groups. This finding is the foundation of this study and is the main reason to choose three separate models to analyse the different ethnic groups' data (Table 4-1).

Perhaps predictably, as the country of origin of Confucianism, Chinese respondents had the strongest correlation to the Confucian values identified by Monkhouse et al. (2006) in comparison to other ethnic groups. More interestingly, the strength of these "Confucian values" in this study is higher among the Caucasian group than in the South Korean group based on mean values. In terms of the Caucasian group, the Hofstede (1980) and The

Chinese Culture Connection (1987) studies found that the respondents who belonged to Western countries had low levels of Confucian dynamism and the Chinese and the South Korean respondents had a high score of Confucian dynamism. However, this study contradicts these findings.

Although Park and Col (1995) amplified that Confucianism in South Korea is very important, especially for individual's family life and structure, they also demonstrated that South Korean's Confucianism is close to the Chinese group. Although the South Koreans are significantly influenced by Confucianism, this study found that the South Koreans group perceived four dimensions of CCBC distinct differently to Chinese respondents ( $P < 0.001$ ). For group orientation, the Chinese and South Koreans' group orientation are similar, which supports previous literature that China and South Korea can be regarded as collectivist societies rather than individualist societies (Theodore et.al., 1995).

### **5.3. Consumers' Preference for Wine Category Choice**

The results section of this study presented the hybrid models for wine category choice and this discussion will present the consumers' preference for wine category choice. The choice preference was measured by a 7-point scale and the mean value is showed in the Table 5-1 and Table 5-2 (Australian wine and French wine models respectively). In this measurement, point 4 represents the neutral attitude; values above point 4 represent the positive attitude and a score below point 4 represents a low level of purchase intention.

#### *Wine category preference for Caucasians*

For Caucasian respondents, their purchase preference of Australian wine and French wine for three scenarios was nearly identical. They prefer to choose household wine brands (Australian and French wine) for self/household-use and the mean value of Australian household wine brand (4.58) is higher than French household wine brand (4.27) By contrast, the Caucasian group's purchase attitude towards discount and premium brand wine (Australian and French wine) for self/household scenario is relatively low. These results are similar with Lockshin et al. (2006)'s discussion that low priced wine is



consumed by purchasers at home. This finding also supports the discussion of Hall's study (Hall et al. 2007) that the price of wine is more important for dining with family than the taste.

For the social entertainment, the Caucasian group also chooses household wine brands (Australian and French wine), but the mean score is lower than the value for self/household-use. In fact, Caucasian respondents' purchase attitude towards French household wine brand for this scenario is close to neutral point (4.06). This finding is also similar to previous research (Lockshin et al., 2006; Thach, 2011) which showed that consumers prefer to pay less for social occasions, such as an informal party or BBQ.

For gift giving, Caucasian respondents tend to choose the premium brand and household brand (Australian and French wine), since their mean scores between these two wine brand categories are very close. It must be emphasized that the Caucasian group has the lowest likelihood to choose discount brand (Australian and French wine) for gift giving. Socially, wine is regarded as a suitable present for festivals such as Christmas or for saying thank you (Ritchie, 2007). Thus, consumers prefer to choose expensive wine or high quality gift in order to symbolise the good personal image for gift receiver, which is in accordance with Baumann and Hamin's findings (2014).

This study finds that the Caucasian group's dominant choice for self/household-use and social entertainment-use is the household wine brand. However, based on the comparison of Caucasian respondents' purchasing preference between Australian wine and French wine, the Caucasian group tends to choose the wine made in Australia rather than in France for these three scenarios. This study seems to be aligning Brown and O'Cass's viewpoint (2008) that consumer ethnocentrism affects consumer purchase behaviour in Australian wine market.

**Table 5-1. Consumers' preference of Australian wine category choice**

		Australian wine French wine <i>Mean</i> <i>SD</i>		
		Discount brand	Household brand	Premium brand
Caucasians	Self/Household-use	3.53 1.891	4.58 1.600	3.38 1.752
	Social entertainment-use	3.45 2.104	4.44 1.612	3.50 1.686
	Gift giving	2.79 1.910	4.35 1.685	4.36 1.958
Chinese	Self/Household-use	3.42 1.861	4.93 1.465	3.55 1.933
	Social entertainment-use	3.67 1.934	4.97 1.302	3.76 1.727
	Gift giving	2.13 1.427	4.37 1.681	5.45 1.318
South Korean	Self/Household-use	4.27 1.603	4.15 1.723	3.88 1.644
	Social entertainment-use	4.38 1.566	4.57 1.471	3.96 1.688
	Gift giving	3.44 1.694	4.68 1.650	4.76 1.636

**Table 5-2 Consumers' preference of French wine category choice**

<b>Ethnicity</b>	<b>Scenarios</b>	<b>Discount brand</b>	<b>Household brand</b>	<b>Premium brand</b>
<b>Caucasians</b>	<b>Self/Household-use</b>	3.62	4.27	3.35
		1.786	1.546	2.104
	<b>Social entertainment-use</b>	3.44	4.06	3.34
		1.907	1.639	1.741
	<b>Gift giving</b>	3.01	4.22	4.17
		1.856	1.648	2.001
<b>Chinese</b>	<b>Self/Household-use</b>	3.17	4.31	3.87
		1.686	1.777	1.988
	<b>Social entertainment-use</b>	3.33	4.26	3.84
		1.841	1.877	1.808
	<b>Gift giving</b>	2.42	4.31	5.48
		1.607	1.632	1.618
<b>South Korean</b>	<b>Self/Household-use</b>	3.65	3.55	3.34
		1.741	1.935	1.648
	<b>Social entertainment-use</b>	3.79	4.24	3.56
		1.699	1.631	1.869
	<b>Gift giving</b>	3.16	4.51	4.18
		1.728	1.768	2.032

#### *Wine category preference for Chinese*

As for Chinese respondents, their purchase preference is similar to the Caucasians' but their preference gap in each scenario between the highest mean score and the lowest mean score is larger than the Caucasians'. Compared with Caucasians, the Chinese consumers' wine knowledge level is somewhat limited. Therefore, Chinese consumers are perhaps more likely to follow their family and friends' recommendation and choose well-known brands in order to reduce the risk of making purchase decision, especially on the social occasions. They are concerned about face-saving, which is an important principle of Confucianism (Balestrini and Gamble, 2006; Liu and Murphy, 2007; Li et al., 2010). This may be the reason for the largest preference gap in comparison with other ethnic groups. The Chinese respondents prefer to purchase household brand (Australian and French wine) for self/household and social entertainment scenarios and the mean scores are relatively high. Especially for Australian wine, the mean score is nearly 5 (4.93 for self/household and 4.97 for social entertainment). Due to the positive image of country or origin, Chinese consumers perceived the Australian wine as high quality, stylish and high status product

(Bowe et al., 2013).

By comparison, the Chinese respondents prefer to choose premium brands (Australian and French wine) for gift giving based on the highest mean score (5.45 for Australian wine and 5.48 for French wine) in each analysis (Table 5-1 and Table 5-2). Due to the image of wine, Chinese consumers used it to represent their social standing. Thus, Chinese prefer to purchase the expensive wine product as a gift for others, which could show the gift giver's high social standing (Somogyi et al., 2011). Additionally, the Chinese people believe that reciprocity is important in interpersonal relationships and they feel it is bad manners not to return favors (Monkhouse, 2012). Therefore, the discount brand wine is the lowest preference of choosing discount brand for gift giving in Chinese respondents' mind (2.13 for Australian wine and 2.42 for French wine). These results provide the evidence that Confucianism can influence the Chinese consumers' purchasing behaviour.

#### *Wine category preference for South Koreans*

South Korean respondents prefer the discount brand for self/household scenario for Australian wine but the mean score for choosing household brand is close to self/household score (4.15 and 4.27 respectively) By contrast, the likelihood of the South Korean group's purchasing French wine for self/household-use is relatively low, since the mean score of all wine brand categories is below 4 point. In social entertainment scenario, South Korean respondents prefer the household brand (Australian wine and French wine) and the subsequent choice is Australian discount brand. Although the mean score of choosing the Australian discount brand is lower than the Australian household brand, its mean score (4.27) is higher than the primary choice of French wine (4.24 for French household brand). So, South Korean consumers prefer to choose the low price or inexpensive wine for self/household use and social entertainment-use, because the price is more important for South Korean consumer (Lee et al., 2005). South Koreans are concerned to drink wine for a healthy lifestyle and to matching their traditional food (Lee et al., 2005). The premium wine is not their primary choice for these two scenarios, as the premium wine seems to be selected for special occasions, such as celebration for an

important event. With regard to gift giving, the South Korean group tends to choose Australian premium wine brand and French household wine brand, as reciprocity appears to an important social norm in South Korean society and they also have a gift giving culture which is influenced by Confucianism (Monkhouse et al., 2012; Lee et al., 2005). At the same time, their purchase attitude towards discount brand (Australian and French wine) for gift giving is stronger than other ethnic groups (Caucasian and Chinese).

#### **5.4 Wine Category Choice Models Comparison**

Other empirical research has explored the impact of marketing factors and this study has established the Confucian consumer behaviour components (CCBC) model to examine consumers' Confucianism. However, this study combined the marketing model and CCBC model to investigate consumers' wine category choice. The explanatory power of three models has presented results and this section will discuss whether the hybrid model can exceed the sole marketing model and the sole CCBC model to explain consumers' wine category choice.

##### *The hybrid model for discount brand*

According to the result, the explanatory power of the marketing model for the Caucasian group choosing discount wine brand is very low, ranging from 0.8% to 9.7% (Table 4-2). Similarly, the Caucasian group's explanatory power of the CCBC model is also relatively low but the gap between the lowest score and highest score is not large (1.2%-6.7%). By comparison, the explanatory power of the hybrid model is stronger than marketing model and CCBC model alone for Caucasian respondents who choose the discount wine for different scenarios.

For the Chinese respondents, results demonstrate that the explanatory power for discount wine brand is higher than the Caucasian group. The explanatory power of the marketing model is high, ranging from 6.2% to 27.5, compared with CCBC model which explained 5.4%-18.4% of the variance in the data. The adjusted R square of the hybrid model

achieves the highest explanation (17.1%-31.4%) compared with other research models (marketing model and CCBC model) (Table 4-2).

Based on the results, the South Korean group's marketing model is limited to explain that they choose discount wine brand for three scenarios and the explanatory power of marketing model ranges from 1.5% to 10.0%. However, the lowest adjusted R square of the CCBC model is 10.3% of the variance and the highest adjusted R square achieves 24.1%. The explanatory power of hybrid model is still stronger than the marketing model and the CCBC model.

#### *The hybrid model for household brand*

In terms of household brand, the results show that the marketing model and CCBC model do not result in the explanatory power in several scenarios. For the Caucasian respondents, the marketing model does not show explanatory power in choosing Australian household wine for gift giving and the highest adjusted R square achieves 15.3% of variance. Furthermore, the CCBC model did not result in the explanatory power in two situations (purchasing Australian household wine brand for self/household-use and purchasing French household wine brand for gift giving). The highest explanatory power of the CCBC model is only 5.0%. By contrast, the explanatory power of the hybrid model is stronger than others (marketing model and CCBC model), ranging from 5.0%-15.3 (Table 4-3).

With the Chinese group, the marketing model offers strong explanatory power in Australian wine but there is no marketing model emerging in choosing French household wine brand for gift giving. Interestingly, the highest adjusted R square of marketing model was found to be 30.3%. By comparison, adjusted R square of the CCBC model for household brand ranges from 4.3% to 17.3%. The explanatory power of the CCBC model for Australian wine is lower than the marketing model, whereas the explanatory power of the CCBC model for French wine is higher than the marketing model. Similarly, the explanatory power of hybrid model exceeds the sole marketing model and the sole CCBC model to explain these three purchasing scenarios.

For South Korean respondents, the explanatory power of marketing model for household brand ranges from 2.4% to 26.3%. Compared with the marketing model, the explanatory power of the CCBC model ranges from 3.8% to 19.0%, however, in French wine choice pattern, the explanatory power of the CCBC model is stronger than the marketing model. As for the hybrid model, the results reveal a higher adjusted R square (6.9%-31.5%), which is still more powerful than other research model (marketing model and CCBC model) (Table 4-3).

#### *The hybrid model for premium brand*

For the Australian premium wine brand, no useable models; neither the marketing model nor the CCBC model and nor the hybrid model resulted in the explanatory power to explain the Caucasian group choosing premium brand for self/household-use. This situation is likely due to many high income people are perhaps identical to purchase Australian wine for self/household use. It appears the Caucasian respondents would have a strong preference to do so. At the same time, these three models are statistically rigorous, so factors beyond the scope of this study may explain this behaviour. On the other hand, the Caucasian group's explanatory power of marketing model for premium brand in other situations explained the variance of the dependent variables ranging from 2.8% to 13.9%. Similarly, the explanatory power of the CCBC model explains the 2.3%-11.0% variance for other scenarios in the data. By comparison, the explanatory power of the hybrid model is stronger than other research models, ranging from 4.8% to 20.8% (Table 4-4).

For Chinese respondents, the explanatory power of the marketing model for premium brand ranges from 2.6% to 13.3%. By comparison, the explanatory power of the CCBC model is stronger than marketing model for choosing premium brand in each scenario (6.0%-21.0%). The results reveal that the hybrid model is more powerful than other models (marketing model and CCBC model) to explain the Chinese group purchasing premium wine brand for three scenarios.

According to the Table 4-4, the South Korean group's explanatory power of marketing

model for premium brand is relatively high (4.9%-23.2%), especially for Australian premium wine brands. Besides, the explanatory power of CCBC model is lower than the marketing model, ranging from 1.5% to 3.4%. As for the hybrid model, its explanatory power is still stronger than the marketing model and the CCBC to explain South Korean respondents choosing premium wine for these three scenarios.

Based on the hypotheses, the three research models were tested separately to explain consumers' wine category choice in different scenarios. The results provide the evidence that the explanatory power of the hybrid model exceeds the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain consumers' wine category choice in the majority of purchasing scenarios and in only one case was the hypothesis not supported (Table 5-3).

**Table 5-3 Hypotheses Assessment (Panel A)**

H1AdSH: The explanatory power of a hybrid model of Australian discount wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the self/household scenario.	Supported
H1AdSE: The explanatory power of a hybrid model of Australian discount wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the social entertainment scenario.	Supported
H1AdGG: The explanatory power of a hybrid model of Australian discount wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the gift giving scenario.	Supported
H1AhSH: The explanatory power of a hybrid model of Australian household wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the self/household scenario.	Supported
H1AhSE: The explanatory power of a hybrid model of Australian household wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the social entertainment scenario.	Supported
H1AhGG: The explanatory power of a hybrid model of Australian household wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC)	Supported



model to explain in the gift giving scenario.	
H1ApSH: The explanatory power of a hybrid model of Australian premium wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the self/household scenario.	Not supported
H1ApSE: The explanatory power of a hybrid model of Australian premium wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the social entertainment scenario.	Supported
H1ApGG: The explanatory power of a hybrid model of Australian premium wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the gift giving scenario.	Supported
H2FdSH: The explanatory power of a hybrid model of French discount wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the self/household scenario.	Supported
H2FdSE: The explanatory power of a hybrid model of French discount wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the self/household scenario.	Supported
H2FdGG: The explanatory power of a hybrid model of French discount wine brand will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the gift giving scenario.	Supported
H2FhSH: The explanatory power of a hybrid model of French household wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the self/household scenario.	Supported
H2FhSE: The explanatory power of a hybrid model of French household wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the social entertainment scenario.	Supported
H2FhGG: The explanatory power of a hybrid model of French household wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the gift giving scenario.	Supported
H2FpSH: The explanatory power of a hybrid model of French premium wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the self/household scenario.	Supported
H2FpSE: The explanatory power of a hybrid model of French premium wine brands will exceed the sole marketing model and	Supported

the sole Confucian consumer behaviour components (CCBC) model to explain in the social entertainment scenario.	
H2FpGG: The explanatory power of a hybrid model of French premium wine brands will exceed the sole marketing model and the sole Confucian consumer behaviour components (CCBC) model to explain in the gift giving scenario.	Supported

## 5.5 The Drivers of Consumers' Wine Category Choice

This study selected the highest explanatory power of the hybrid model to demonstrate interesting findings about significant variables. Next, these results will be used to interpret different ethnic groups' wine category choice for different scenarios in depth. To reiterate, the major focus on this study is to investigate the impact of Confucianism on three ethnic groups' wine selection. The influence of marketing factors on consumers' wine selection has been explored in substantial wine studies. However, the contribution of this study is to discuss the influence of Confucianism on consumers' purchasing behaviour for different wine brand categories.

### *Wine category choice factors for Caucasians*

The highest explanatory power of the hybrid model reveals that the 15 marketing factors and 10 factors of CCBC influence Caucasian respondents wine category choices (Table 4-5, Table 4-8 and Table 4-11). Based on the literature review, Confucianism significantly influences East Asian choices and "Confucian values" of Caucasians should be relatively low. However, this study establishes for the first time that Caucasians can be influenced by "Confucian values" in their choice of wine to purchase.

The Caucasian group choosing Australian discount and premium wine brand for the gift giving is significantly influenced by price and by "group orientation", one of the Confucian values. The price is an important extrinsic cue to help consumers determine the quality of a wine (Richard et al., 2002; Hollebeek et.al, 2007). When the consumers cannot evaluate the wine product before they choose, the price is used to reduce the risk of making a wrong choice in some degree (Lockshin et al., 2006). Thus, the expensive wine products are more

likely to be selected a gift, since it means that the gift giver spends more time and shows friendship and love (Baumann and Hamin, 2014). Moreover, the level of group orientation, as the most powerful predictor, also provides the evidence that Caucasian respondents are concerned about the sense of community or harmony in society as well as focus on the social relationship and their own status (Lowe and Corkindale, 1998).

By comparison, the price also influences the Caucasian group to choose French discount and premium wine brand for gift giving. However, the hierarchy and group orientation could influence them to choose premium wine brand and reciprocity and humility affect them to choose discount wine.

Lowe and Corkindale (1998) emphasise that Australians' belief in a hierarchical system and social harmony is similar as Chinese, which is relatively high. Wine as a sophisticated image has incorporated into many people's life and drinking fine wine or luxury wine represents their professional image and social standing (Martinez, 2005). When Caucasian consumers choose an expensive product as a gift for the recipient, it also shows the gift giver's social hierarchy. Meanwhile, the Caucasian respondent with low level of reciprocity and humility tend to choose French discount wine brand for gift giving. These phenomena extend the Lowe and Corkindale's viewpoint (1998) that the Caucasian group has the relatively high level of reciprocity and humility in gift giving situation. Interestingly, Caucasian respondents who have the low level of face saving are more likely to choose French premium wine for gift giving. It seems that this kind of customers' ethnocentrism is not high and they do not mind that the receiver do not like the French wine (Brown and O'Cass, 2008).

When the Caucasian group chooses Australian household wine brand for social entertainment-use, they are concerned about the wine's product quality and brand image. The results cohere with Hall et al's (2001) findings that the quality of wine is seen as a significant factor for different situations such as party, celebration and business-related dining occasions. On the other hand, the country of origin and price are the criteria, if the

Caucasian group prefers to choose French household wine brand for gift giving.

#### *Wine category choice factors for Chinese*

As for the Chinese group, the hybrid models show the number of marketing factors and CCBD factors in three wine category brands is nearly on par (15 versus 14) (Table 4-6, Table 4-9 and Table 4-12). The price and the brand image play significant roles to influence the Chinese group to choose Australian discount and household wine brand for self/household-use. As for the French discount wine brand, the brand image is more significant than other predictors. The brand image and price could help Chinese respondents to evaluate the quality of the wine; especially they are not familiar with it (Balestrini and Gamble, 2006).

In terms of CCBC factors, “hierarchy” and “group orientation” generate a significant effect on Chinese respondents choosing Australian discount wine brand for self/household use. By comparison, only one CCBC variable: group orientation, could influence Chinese respondents in choosing French discount wine for social entertainment-use. In the Chinese wine market, the different occasions are associated with the price and wine selection. The Chinese consumers tend to purchase expensive wine in a public occasion and to choose less expensive wine for private occasions (Liu and Murphy, 2007). Hall et al. (2007) also discussion the relationship between wine choice and dining occasions and how the role of wine attributes differs between different occasions. On a private occasion, such as drinking with family members, the Chinese consumer prefers a less expensive wine (Liu and Murphy, 2007). Besides, they hope everyone feel happy and make a same decision, as the hierarchy and group orientation are very important in the family life (Cheng et al., 2006).

As for the household wine brand (Australian and French), the power of humility is stronger than other factors of CCBC to influence Chinese respondents choose it for self/household-use and social-entertainment-use (Table 4-9). This result demonstrates that they are concerned about other people’s feeling and more likely to fall in with the majority opinion if they choose discount wine brand (Australian and French). As for choosing the household brand (Australian and French), the Chinese group also hope create community

harmony and avoid inspiring envy among others, especially on public occasions (Tran et al. 2008).

In light of Australian premium wine brand, the Chinese group prefers to consider about the wine quality and price (albeit negative effect), if they choose it as a gift (Table 4-12). This result also support that the Chinese group tends to buy a high quality product as a gift, irrespective of cost (Lowe and Corkindale, 1998). Meanwhile, the choosing Australian premium wine brand for gift giving is also associated with face saving and humility. In terms of French premium wine, although price and brand image could influence Chinese respondents' purchase behaviour, the power of CCBC factors is stronger than marketing factors.

The results reveal that hierarchy, reciprocity and face saving significantly influence the Chinese group to choose French premium wine for social entertainment-use and gift giving. Face saving plays an essential role in Chinese society. The Chinese consumers prefer to purchase the higher priced and higher quality wine as a gift or at a social occasion, because they hope to reduce the risk of making a wrong decision and to increase the gift giver's Mianzi (face saving) (Somogyi, 2011). Moreover, the result also supports the Liu and Murphy's (2007) findings regarding the relationship between price and face saving. Chinese wine consumers believe that consuming a premium brand wine represents their personal identity and social status (Liu and Murphy, 2007). On the other hand, the Chinese group hopes to treat others as one would like to be treated and manage the interpersonal relationship via choosing high price products (Cheung et al., 2005; Monkhouse et al., 2012). Meanwhile, they choose premium brand products for face saving that is more likely to influence the Chinese group's purchasing decision (Tu, 1998; Qian et al. 2007).

#### *Wine category choice factors for South Koreans*

For the South Koreans, the 15 marketing factors and 12 CCBC factors are presented in the hybrid models for three wine category brands, which is practically on a par with the Chinese results. Customer satisfaction and value for money are the main marketing factors

to influence them choosing the discount Australian wine brand for gift giving. However, the power of reciprocity is the strongest variable in the hybrid model (Table 4-7). The South Korean respondents who have the low level of reciprocity are more likely to choose Australian discount wine brand for gift giving. This supports the result that the South Korean group also follows the rule of reciprocity, which is regarded as necessary to maintain social harmony (Monkhouse et al., 2012).

Gift giving behaviour is directly linked to reciprocity (Qian et al., 2007). So reciprocity is also an important factor for choosing French discount wine brand for gift giving but its power is weaker than group orientation. However, the country of origin is only marketing factor to influence South Korean respondents to choose French discount wine brand for gift giving.

With regard to the Australian household wine brand, product quality is the most important factor influencing the South Korean group to choose it for gift giving. Moreover, the low level of hierarchy also increases the likelihood of making the same decision, since the hierarchical arrangement of the gift giver and gift receiver decide the type of gift (Qian et al., 2007). By contrast, brand image and value for money are important factors influencing the South Korean respondents to choose the French household wine brand for self/household use in marketing perspective. However, hierarchy and reciprocity also influence the South Korean group to make this decision (Table 4-10). This is influencing South Korean culture, where to this data, values of hierarchy and reciprocity are nurtured and passed on in family, education and media.

As for the Australian premium brand, many factors influence the South Korean group purchasing it for social entertainment-use. As for the marketing factors, the country of origin and product quality are significantly associated with this decision.

At the same time, the power of CCBC is relatively strong and reciprocity and humility are the main factors influencing South Korean respondents to choose Australian premium wine

brand for social entertainment-use. On social occasions, the South Korean consumers tend to be humble and they are concerned to save face (Monkhouse et al., 2012). Thus, choosing the premium wine brand could result in other people feeling uncomfortable and envious. Displaying wealth in public indicates to show respect and status.

By contrast, the CCBC factors do not appear in the hybrid model of choosing French premium wine brand for gift giving. The brand image is the most powerful factor influence South Korean respondents purchase behaviour in this situation.

The findings of this section demonstrate that Confucianism is strongly correlated with consumers' wine category choice in relation to the different ethnic groups. It also supports the hypothesis that different ethnic consumers' decisions are significantly associated with the CCBC factors (Table 5-4).

**Table 5-4 Hypotheses Assessment (Panel B)**

	Australian wine		
	D(G)	H(SE)	P(G)
H1Fs: Caucasians' wine category choice will be not significantly associated with face saving.	NS	NS	NS
H1Go: Caucasians' wine category choice will be not significantly associated with group orientation.	NS	S	S
H1Hum: Caucasians' wine category choice will be not significantly associated with humility	S	NS	NS
H1Hie: Caucasians' wine category choice will be not significantly associated with hierarchy	S	S	S
H1Rec: Caucasians' wine category choice will be not significantly associated with reciprocity	S	S	S
	D(S)	H(S)	P(G)
H2Fs: Chinese's wine category choice will be significantly associated with face saving.	NS	NS	S
	Australian wine		
	D(S)	H(S)	P(G)
H2Hum: Chinese's wine category choice will be significantly associated with humility.	NS	S	S
H2Hie: Chinese's wine category choice will be	S	NS	NS

significantly associated with hierarchy.			
H2Rec: Chinese's wine category choice will be significantly associated with reciprocity.	NS	NS	NS
	D(G)	H(G)	P(SE)
H3Fs: South Koreans' wine category choice will be significantly associated with face saving.	NS	NS	S
H3Go: South Koreans' wine category choice will be significantly associated with group orientation.	NS	NS	NS
H3Hum: South Koreans' wine category choice will be significantly associated with humility.	NS	NS	S
H3Hie: South Koreans' wine category choice will be significantly associated with hierarchy.	S	S	S
H3Rec: South Koreans' wine category choice will be significantly associated with reciprocity	S	NS	S
	French wine		
	D(G)	H(G)	P(G)
H1Fs: Caucasians' wine category choice will be not significantly associated with face saving.	S	S	NS
H1Go: Caucasians' wine category choice will be not significantly associated with group orientation.	S	S	NS
H1Hum: Caucasians' wine category choice will be not significantly associated with humility	NS	S	S
H1Hie: Caucasians' wine category choice will be not significantly associated with hierarchy	S	S	NS
H1Rec: Caucasians' wine category choice will be not significantly associated with reciprocity	NS	S	S
	D(S)	H(SE)	P(SE) /(G)
H2Fs: Chinese's wine category choice will be significantly associated with face saving.	NS	NS	S /S
H2Go: Chinese's wine category choice will be significantly associated with group orientation.	S	NS	S /S
H2Hum: Chinese's wine category choice will be significantly associated with humility.	NS	S	NS /NS
H2Hie: Chinese's wine category choice will be significantly associated with hierarchy.	NS	S	S /S
H2Rec: Chinese's wine category choice will be significantly associated with reciprocity.	NS	S	S /S
	D(G)	H(S)	P(G)
H3Fs: South Koreans' wine category choice will be significantly associated with face saving.	NS	NS	NS
H3Go: South Koreans' wine category choice will	S	NS	NS



be significantly associated with group orientation.			
H3Hum: South Koreans' wine category choice will be significantly associated with humility.	S	NS	NS
H3Hie: South Koreans' wine category choice will be significantly associated with hierarchy.	NS	S	NS
H3Rec: South Koreans' wine category choice will be significantly associated with reciprocity	S	S	NS
Notes: D=Discount wine brand, H=Household wine brand, P=Premium wine brand ( )= Scenarios, (S)= Self/household use, (SE)=Social entertainment use, (G)= Gift giving S=Supported, NS=Not supported			

## **6. Conclusion**

### **6.1. Introduction**

The purpose of this study was to investigate whether Confucianism would associate with the different ethnic groups' wine category choice. The results and discussion chapters have demonstrated this study's findings and answered the research questions. This chapter presents the implications for academic theory and practice.

### **6.2 Implications for Academic Theory**

In this study, a new academic term is introduced: Confucian Consumer Behaviour Components (CCBC). This construct is adapted from the Monkhouse et al. (2012) study and it provides a useful structure to measure consumers' "Confucianism". Previous research showcased the impact of Confucian dynamism on social issues, law, education and economic growth in East Asia, particularly for China and South Korea (Dalton, 2005, Baumann et al., 2012). For example, Dalton (2005, p256) found that the patriarchal elements of Confucianism has influenced some forms of corruption in South Korea". Compared with these empirical studies about Confucian Dynamism, the (CCBC) model focuses on the micro level: personal behaviour, which distinguishes from the macro level of Confucian dynamism. This study applies the CCBC model to explain consumer behaviour and measure the influence of Confucianism on individual consumer behaviour. Moreover, the Caucasians' purchase behaviour is affected by Confucianism as well. This study breaks a new ground in establishing that Confucianism is associated with wine category choice. This research not only finds that Confucianism is associated with Chinese and South Koreans consumer groups, but it establishes the "Confucianism" also appears to be prevalent in Caucasian consumers.

These findings extend the study of intra-national diversity (Tung and Baumann, 2009) to the wine marketing area and make a comparison of consumers' wine category choice among three ethnic groups with different levels of Confucianism in Australia. Tung (2014, p7) showed that "intra-national diversity can be as significant as that across countries". Intra-national diversity has been studied in relation to the banking and found the "ethnic Chinese in Australia and Canada have developed their own unique behavior, resulting in crossvergence" (Baumann et al., 2012, p88). They used the intra-national diversity to explain the intangible product: service. By comparison, this present study applies the concept of intra-national diversity to a physical product: wine, and supports the contention that 'national markets are not homogenous' (Tung and Baumann, 2009).

In addition, this research supported previous research (Liu and Murphy, 2007, Hall et al, 2011; Somogyi et al., 2011; Thanch, 2011) that found that the occasion for purchasing the wine is an important factor in influencing consumers' wine category choice and explored the relationships between culture, occasions and wine category choice. This study extends their analyses by using the CCBC factors to explain the different ethnic groups' wine category choice for three scenarios.

These studies findings largely support previous wine marketing research, which reveal the impact of different marketing factors on consumer purchasing behaviour. However, this study provides evidence that the sole marketing model could not explain reasons of consumers' purchase preference for different wine brand categories. Meanwhile, the CCBC model provided a new perspective to understand the consumers' wine category choice but is still limited in explaining consumers' purchasing behaviour. This study extends the previous wine marketing studies and adds into a new model: CCBC model. This research combines the marketing model and CCBC model to create a new hybrid model. In this study, the results reveal that the explanatory power of the hybrid model exceeds the sole marketing model and the sole CCBC model to explain.

### **6.3 Implications for Practice**

Although this study investigates three specific ethnic groups in Australia, the results can be extrapolated to different ethnic groups' preference for wine selection in other countries. In terms of domestic wine market, Chinese and South Koreans are major immigrant groups to Australia and potential consumers in the Australian domestic wine market. This study provides an opportunity to understand the wine category choices of Chinese and South Korean consumers living in Australia. This study provides evidence that Confucianism influences all three ethnic groups' wine selection. The findings supported Tung and Baumann's (2009) argument about the salience of intra-national diversity. Thus, the wine marketers should consider the relationship between ethnic marketing and wine category choice.

Marketing factors plays dominant role in affecting consumer purchase behaviour. The hybrid model showed that all ethnic groups' wine category choice is affected by different 15 marketing factors. In particular, price, brand image and product quality are the main drivers that influence all ethnic groups' wine category choice. These factors are associated with different scenarios and different wine brands. The findings of this study are in accordance with Hall (2001)'s findings. The wine marketers should match and fine tune to suit different wine category and purchase scenario.

Wine marketing should not only focus on the influence of marketing factors, but also consider Confucianism, especially when the target customer groups are the Chinese and the South Koreans and Caucasians. The three ethnic groups are also influenced by Confucian consumer behaviour components in different scenarios. Thus, wine marketers should understand the relationship between the Confucianism and different occasions. For example, Chinese are concerned about the reciprocity and face saving in the gift giving scenario; they are then more likely to choose premium wine as a gift. They like to compliment the recipient and show the importance of their friendship or business relationship. Therefore, the occasion of purchase is an important perspective in the

segmentation of the wine market and it is crucial to understand the influence of Confucianism in different scenarios' wine category choice.

Further research could extend this study and explore heterogeneity within ethnic groups in other Asian markets such as Japan, Hong Kong and Taiwan, because Confucianism also profoundly influences these areas. According to the report of Euromonitor International (2013), the Asia Pacific is an important potential market for the Australian wine industry. The volume of export to East Asia has increased dramatically over the last five years. The findings of this study can guide wine marketers to understand the wine category choice of Chinese and South Koreans who are living in their home country. Tung and Baumann (2009) found that the immigrants are closer to the country of origin of their ancestors.

Furthermore, demographic information could be linked to this study's findings. For example, the gender and income level could be associated with different levels of "Confucianism", in turn these factor might influence consumers' wine category choice. A subsequent study should take into account the wine knowledge or product involvement in this study as well as the relationship between Confucianism, wine knowledge and wine category choice (Lockshin et al., 2001).

## 7. Appendices

### APPENDIX A: QUESTIONNAIRE

This Appendix presents the questionnaire that was used to collect data

#### Wine Category Choice



















#### Scenario 1: Purchase for **self/household use**



AUSTRALIAN WINE



FRENCH WINE

<p>Imagine that you are purchasing <b>Australian wine</b> and intend to drink it <u>by yourself or to share it with members of your household.</u></p> <p>In this scenario, how likely are you to choose each brand category?</p> <div style="display: flex; align-items: center; justify-content: space-around;">    </div> <p><b>Discount brand (Up to \$10) (ALDI)</b></p> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Least likely</span> <span>Most likely</span> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>1</span><span>2</span><span>3</span><span>4</span><span>5</span><span>6</span><span>7</span> </div>	<p>Imagine that you are purchasing <b>French wine</b> and intend to drink it <u>by yourself or to share it with members of your household.</u></p> <p>In this scenario, how likely are you to choose each brand category?</p> <div style="display: flex; align-items: center; justify-content: space-around;">    </div> <p><b>Discount brand (Up to \$10) (ALDI)</b></p> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Least likely</span> <span>Most likely</span> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>1</span><span>2</span><span>3</span><span>4</span><span>5</span><span>6</span><span>7</span> </div>
<div style="display: flex; align-items: center; justify-content: space-around;">    </div> <p><b>Household brand (\$11-\$40) (BWS)</b></p> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Least likely</span> <span>Most likely</span> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>1</span><span>2</span><span>3</span><span>4</span><span>5</span><span>6</span><span>7</span> </div>	<div style="display: flex; align-items: center; justify-content: space-around;">    </div> <p><b>Household brand (\$11-\$40) (BWS)</b></p> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Least likely</span> <span>Most likely</span> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>1</span><span>2</span><span>3</span><span>4</span><span>5</span><span>6</span><span>7</span> </div>
<div style="display: flex; align-items: center; justify-content: space-around;">    </div> <p><b>Premium brand (Above \$40)</b> <b>(Dan Murphy)</b></p> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Least likely</span> <span>Most likely</span> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>1</span><span>2</span><span>3</span><span>4</span><span>5</span><span>6</span><span>7</span> </div>	<div style="display: flex; align-items: center; justify-content: space-around;">    </div> <p><b>Premium brand (Above \$40)</b> <b>(Dan Murphy)</b></p> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Least likely</span> <span>Most likely</span> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>1</span><span>2</span><span>3</span><span>4</span><span>5</span><span>6</span><span>7</span> </div>

## Scenario 2: Purchase for **social entertainment use**



### AUSTRALIAN WINE

Imagine that you are purchasing **Australian wine** and intend to share it with friends or co-workers for a social entertainment occasion.

In this scenario, how likely are you to choose each brand category?



Discount brand (Up to \$10) (ALDI)

Least likely Most likely

1 2 3 4 5 6 7



Household brand (\$11-\$40) (BWS)

Least likely Most likely

1 2 3 4 5 6 7



Premium brand (Above \$40)

(Dan Murphy)

Least likely Most likely

1 2 3 4 5 6 7



### FRENCH WINE

Imagine that you are purchasing **French wine** and intend to share it with friends or co-workers for a social entertainment occasion.

In this scenario, how likely are you to choose each brand category?



Discount brand (Up to \$10) (ALDI)

Least likely Most likely

1 2 3 4 5 6 7



Household brand (\$11-\$40) (BWS)

Least likely Most likely

1 2 3 4 5 6 7



Premium brand (Above \$40)

(Dan Murphy)

Least likely Most likely

1 2 3 4 5 6 7

### Scenario 3: Purchase for **gift giving**



#### AUSTRALIAN WINE

Imagine that you are purchasing **Australian wine** as a *"thank-you" gift for a co-worker or a friend.*

In this scenario, how likely are you to choose each brand category?



**Discount brand (Up to \$10) (ALDI)**

Least likely Most likely

1 2 3 4 5 6 7



**Household brand (\$11-\$40) (BWS)**

Least likely Most likely

1 2 3 4 5 6 7



**Premium brand (Above \$40)**

**(Dan Murphy)**

Least likely Most likely

1 2 3 4 5 6 7



#### FRENCH WINE

Imagine that you are purchasing **French wine** as a *"thank-you" gift for a co-worker or a friend.*

In this scenario, how likely are you to choose each brand category?



**Discount brand (Up to \$10) (ALDI)**

Least likely Most likely

1 2 3 4 5 6 7



**Household brand (\$11-\$40) (BWS)**

Least likely Most likely

1 2 3 4 5 6 7



**Premium brand (Above \$40)**

**(Dan Murphy)**

Least likely Most likely

1 2 3 4 5 6 7








## AUSTRALIAN WINE

### Purchase for **self/household use**

Scenario 1: Imagine that you are purchasing **Australian wine** and intend to drink it by yourself or to share it with members of your household. In this scenario, how important are the following factors?










<b>Premium brand</b> 	<b>Country of origin (Australia)</b> Low importance      High importance							<b>Price</b> Low importance      High importance						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Household brand</b> 	<b>Brand image</b> Low importance      High importance							<b>Customer satisfaction</b> Low importance      High importance						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Discount brand</b> 	<b>Product quality</b> Low importance      High importance							<b>Value for money</b> Low importance      High importance						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	1	2	3	4	5	6	7	1	2	3	4	5	6	7



## AUSTRALIAN WINE

### Purchase for **social entertainment use**

Scenario 2: Imagine that you are purchasing **Australian wine** and intend to share it with friends or co-workers for a social entertainment occasion. In this scenario, how important are the following factors?

<b>Premium brand</b> 	<b>Country of origin (Australia)</b>							<b>Price</b>						
	Low importance				High importance			Low importance				High importance		
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Household brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Discount brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Premium brand</b> 	<b>Brand image</b>							<b>Customer satisfaction</b>						
	Low importance				High importance			Low importance				High importance		
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Household brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Discount brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Premium brand</b> 	<b>Product quality</b>							<b>Value for money</b>						
	Low importance				High importance			Low importance				High importance		
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Household brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Discount brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7












## AUSTRALIAN WINE

### Purchase for gift giving

Scenario 3: Imagine that you are purchasing **Australian wine** as a "thank-you" gift for a co-worker or a friend.

In this scenario, how important are the following factors?










	<i>Country of origin (Australia)</i>							<i>Price</i>						
	Low importance				High importance			Low importance				High importance		
Premium brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Household brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Discount brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	<i>Brand image</i>							<i>Customer satisfaction</i>						
	Low importance				High importance			Low importance				High importance		
Premium brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Household brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Discount brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	<i>Product quality</i>							<i>Value for money</i>						
	Low importance				High importance			Low importance				High importance		
Premium brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Household brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Discount brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7



## FRENCH WINE

### Purchase for **self/household use**

Scenario 1: Imagine that you are purchasing **French wine** and intend to drink it by yourself or to share it with members of your household. In this scenario, how important are the following factors?










	<i>Country of origin (France)</i>							<i>Price</i>						
	Low importance			High importance				Low importance			High importance			
Premium brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Household brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Discount brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	<i>Brand image</i>							<i>Customer satisfaction</i>						
	Low importance			High importance				Low importance			High importance			
Premium brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Household brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Discount brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	<i>Product quality</i>							<i>Value for money</i>						
	Low importance			High importance				Low importance			High importance			
Premium brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Household brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Discount brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7



## FRENCH WINE

### Purchase for **social entertainment use**

Scenario 2: Imagine that you are purchasing **French wine** and intend to share it with friends or co-workers for a social entertainment occasion. In this scenario, how important are the following factors?

<b>Premium brand</b> 	<b>Country of origin (France)</b>							<b>Price</b>						
	Low importance				High importance			Low importance				High importance		
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Household brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Discount brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Premium brand</b> 	<b>Brand image</b>							<b>Customer satisfaction</b>						
	Low importance				High importance			Low importance				High importance		
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Household brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Discount brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Premium brand</b> 	<b>Product quality</b>							<b>Value for money</b>						
	Low importance				High importance			Low importance				High importance		
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Household brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
<b>Discount brand</b> 	1	2	3	4	5	6	7	1	2	3	4	5	6	7












## FRENCH WINE

### Purchase for gift giving

Scenario 3: Imagine that you are purchasing **French wine** as a “thank- you” gift for a co-worker or a friend.

In this scenario, how important are the following factors?

	<i>Country of origin (France)</i>							<i>Price</i>						
	Low importance				High importance			Low importance				High importance		
Premium brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Household brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Discount brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	<i>Brand image</i>							<i>Customer satisfaction</i>						
	Low importance				High importance			Low importance				High importance		
Premium brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Household brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Discount brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
	<i>Product quality</i>							<i>Value for money</i>						
	Low importance				High importance			Low importance				High importance		
Premium brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Household brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7
Discount brand 	1	2	3	4	5	6	7	1	2	3	4	5	6	7

Could you please tell us a bit more about yourself by answering the following questions?

### Hierarchy

	Strongly disagree							Strongly agree						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
We have a vertical order in the society that we should respect.														
I am happy if people look up to me.														
A person with high personal achievements is considered to have high social standing.														
Wealth and power are becoming important determinants of social status.														

### Reciprocity

	Strongly disagree							Strongly agree						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
The practice of 'give and take' of favours is an important part of social relationships.														
It is bad manners not to return favours.														
I feel a sense of obligation to a person for doing me a favour.														
When I receive a big favour, I try to go an extra mile to do something nice in return.														
When I buy a gift to say thank you to someone I try my best to make sure the person will appreciate it.														

### Group orientation

	Strongly disagree							Strongly agree						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
I recognise and respect social expectations, norms and practices.														
When I am uncertain how to act in a social situation, I try to do the same as what others do.														
I usually make decisions without listening to others.														
When I buy the same things my friends buy, I feel closer to them.														
If there is a conflict between my interest and my family's interest, I will not put priority on mine.														

### Humility

	Strongly disagree							Strongly agree						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
I only tell others about my achievements when I am asked to.														
I try not to openly talk about my accomplishments.														
I do not like to draw others' attention to my accomplishments.														
Being boastful is a sign of weakness and insecurity.														
I avoid singing my own praises.														



**Face saving**

	Strongly disagree							Strongly agree						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
I am concerned with protecting the pride of my family.														
I am concerned with not bringing shame to others.														
I am concerned with not bringing shame to myself.														
I pay a lot of attention to how others see me.														
I feel ashamed if I lose my face.														

**Demographic questions**Gender ☐ Male ☐ Female

Age: \_\_\_\_\_(In years)

What is your ethnic background?

☐ Caucasian☐ Chinese☐ South Korean☐ Middle Eastern☐ Other \_\_\_\_\_(Please specify)

What is your approximate income per year before tax? (AUS \$) \_\_\_\_\_

**Experience of drinking wine**

On average, how often do you drink wine?

☐ Daily☐ A few times per week☐ A few times per month☐ Rarely☐ I am a non-drinker

	Strongly disagree							Strongly agree						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
I would be interested in reading information about how wine is made.														
I have always wanted to know about wines.														
My knowledge level of wine products is professional.														
I have compared wines' characteristics among different brands.														

## APPENDIX B: RELIABILITY: CHRONBACH'S ALPHA

### Confucian Consumer Behaviour Components

#### Case Processing Summary

		N	%
Cases	Valid	511	100.0
	Excluded <sup>a</sup>	0	.0
	Total	511	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.830	21

#### Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
G2	93.94	188.640	.284	.828
G4	94.58	195.710	.086	.839
H1	94.41	183.963	.366	.825
H2	93.95	180.241	.501	.818
H3	94.11	182.375	.430	.821
H4	93.93	185.007	.384	.824
R1	93.23	185.258	.423	.822
R2	93.54	184.845	.402	.823
R3	93.73	183.361	.428	.822
R4	93.35	183.205	.466	.820
R5	93.21	185.331	.437	.821
HUM1	93.61	184.955	.394	.823
HUM2	93.81	183.652	.419	.822
HUM3	93.95	181.461	.477	.819
HUM4	93.90	188.052	.311	.827
HUM5	93.72	185.367	.393	.823
F1	93.41	183.976	.445	.821
F2	93.51	182.294	.477	.819
F3	93.58	185.358	.413	.822
F4	93.92	185.602	.406	.823
F5	93.88	184.338	.418	.822

### *Hierarchy dimension*

#### **Case Processing Summary**

		N	%
Cases	Valid	511	100.0
	Excluded <sup>a</sup>	0	.0
	Total	511	100.0

a. Listwise deletion based on all variables in the procedure.

#### **Reliability Statistics**

Cronbach's Alpha	N of Items
.709	4

#### **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
H1	13.41	12.010	.430	.687
H2	12.95	11.819	.519	.631
H3	13.11	10.997	.595	.582
H4	12.93	12.605	.442	.676

### *Reciprocity dimension*

#### **Case Processing Summary**

		N	%
Cases	Valid	511	100.0
	Excluded <sup>a</sup>	0	.0
	Total	511	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.797	5

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
R1	20.03	18.162	.498	.782
R2	20.34	16.839	.580	.757
R3	20.53	16.352	.604	.749
R4	20.15	16.656	.631	.741
R5	20.01	17.659	.577	.759

***Group orientation dimension*****Case Processing Summary**

	N	%
Cases Valid	511	100.0
Excluded <sup>a</sup>	0	.0
Total	511	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.414	2

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
G2	3.88	2.572	.262	.
G4	4.52	2.124	.262	.

### *Humility dimension*

#### **Case Processing Summary**

		N	%
Cases	Valid	511	100.0
	Excluded <sup>a</sup>	0	.0
	Total	511	100.0

a. Listwise deletion based on all variables in the procedure.

#### **Reliability Statistics**

Cronbach's Alpha	N of Items
.837	5

#### **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
HUM1	18.48	20.940	.595	.817
HUM2	18.67	20.005	.661	.798
HUM3	18.81	19.520	.707	.785
HUM4	18.76	21.273	.563	.825
HUM5	18.58	20.307	.672	.796

### *Face saving dimension*

#### **Case Processing Summary**

		N	%
Cases	Valid	511	100.0
	Excluded <sup>a</sup>	0	.0
	Total	511	100.0

a. Listwise deletion based on all variables in the procedure.

#### **Reliability Statistics**

Cronbach's Alpha	N of Items
.786	5

#### **Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
F1	18.96	17.100	.543	.752
F2	19.06	16.016	.634	.721
F3	19.13	16.885	.579	.741
F4	19.47	17.379	.526	.758
F5	19.43	16.952	.531	.757

## APPENDIX C: POST HOC TESTS

### Multiple Comparisons

Dependent Variable		(I)	(J)	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Hierarchy	LSD	1	2	-.57495*	.11347	.000	-.7979	-.3520
			3	.54608*	.10411	.000	.3415	.7506
		2	1	.57495*	.11347	.000	.3520	.7979
			3	1.12103*	.11940	.000	.8865	1.3556
		3	1	-.54608*	.10411	.000	-.7506	-.3415
			2	-1.12103*	.11940	.000	-1.3556	-.8865
Reciprocity	LSD	1	2	-.02038	.10930	.852	-.2351	.1944
			3	.55661*	.10029	.000	.3596	.7536
		2	1	.02038	.10930	.852	-.1944	.2351
			3	.57698*	.11501	.000	.3510	.8029
		3	1	-.55661*	.10029	.000	-.7536	-.3596
			2	-.57698*	.11501	.000	-.8029	-.3510
Group orientation	LSD	1	2	-.49821*	.13338	.000	-.7603	-.2362
			3	-.54781*	.12238	.000	-.7882	-.3074
		2	1	.49821*	.13338	.000	.2362	.7603
			3	-.04960	.14035	.724	-.3253	.2261
		3	1	.54781*	.12238	.000	.3074	.7882
			2	.04960	.14035	.724	-.2261	.3253
Humility	LSD	1	2	-.57081*	.11994	.000	-.8064	-.3352
			3	.17442	.11004	.114	-.0418	.3906
		2	1	.57081*	.11994	.000	.3352	.8064
			3	.74524*	.12620	.000	.4973	.9932
		3	1	-.17442	.11004	.114	-.3906	.0418
			2	-.74524*	.12620	.000	-.9932	-.4973
Face saving	LSD	1	2	-.45131*	.10843	.000	-.6643	-.2383
			3	.23322*	.09949	.019	.0378	.4287
		2	1	.45131*	.10843	.000	.2383	.6643
			3	.68452*	.11409	.000	.4604	.9087
		3	1	-.23322*	.09949	.019	-.4287	-.0378
			2	-.68452*	.11409	.000	-.9087	-.4604

\*. The mean difference is significant at the 0.05 level.

### Hierarchy

Ethnic	N	Subset for alpha = 0.05		
		1	2	3
Student-Newman-Keuls <sup>a</sup> 3	168	3.8571		
<sup>b</sup> 1	217		4.4032	
2	126			4.9782
Sig.		1.000	1.000	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 162.187.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

### Reciprocity

Ethnic	N	Subset for alpha = 0.05	
		1	2
Student-Newman-Keuls <sup>a</sup> 3	168	4.6738	
<sup>b</sup> 1	217		5.2304
2	126		5.2508
Sig.		1.000	.851

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 162.187.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

### Group orientation

Ethnic	N	Subset for alpha = 0.05	
		1	2
Student-Newman-Keuls <sup>a</sup> 1	217	3.8986	
<sup>b</sup> 2	126		4.3968
3	168		4.4464
Sig.		1.000	.708

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 162.187.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.



### Humility

Ethnic	N	Subset for alpha = 0.05	
		1	2
Student-Newman-Keuls <sup>a</sup> 3	168	4.4071	
<sup>b</sup> 1	217	4.5816	
2	126		5.1524
Sig.		.143	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 162.187.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

### Face saving

Ethnic	N	Subset for alpha = 0.05		
		1	2	3
Student-Newman-Keuls <sup>a</sup> 3	168	4.5345		
<sup>b</sup> 1	217		4.7677	
2	126			5.2190
Sig.		1.000	1.000	1.000

Means for groups in homogeneous subsets are displayed.

a. Uses Harmonic Mean Sample Size = 162.187.

b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

## **APPENDIX D: ETHICAL APPROVAL**

Dear Dr Baumann,

Re: 'Consumers' Wine Selection and the Influence of Confucianism.'

Reference No.: 5201400657

Thank you for your recent correspondence. Your response has addressed the issues raised by the Faculty of Business & Economics Human Research Ethics Sub Committee. Approval of the above application is granted, effective "1/07/2014". This email constitutes ethical approval only.

This research meets the requirements of the National Statement on Ethical Conduct in Human Research (2007). The National Statement is available at the following web site:

[http://www.nhmrc.gov.au/files\\_nhmrc/publications/attachments/e72.pdf](http://www.nhmrc.gov.au/files_nhmrc/publications/attachments/e72.pdf).

The following personnel are authorised to conduct this research:

Dr Chris Baumann  
Dr Lay Peng Tan  
Mr Wei Yao

NB. STUDENTS: IT IS YOUR RESPONSIBILITY TO KEEP A COPY OF THIS APPROVAL EMAIL TO SUBMIT WITH YOUR THESIS.

Please note the following standard requirements of approval:

1. The approval of this project is conditional upon your continuing compliance with the National Statement on Ethical Conduct in Human Research (2007).
2. Approval will be for a period of five (5) years subject to the provision of annual reports.

Progress Report 1 Due: 1st Jul. 2015  
Progress Report 2 Due: 1st Jul. 2016  
Progress Report 3 Due: 1st Jul. 2017  
Progress Report 4 Due: 1st Jul. 2018  
Final Report Due: 1st Jul. 2019

NB. If you complete the work earlier than you had planned you must submit a Final Report as soon as the work is completed. If the project has been discontinued or not commenced for any reason, you are also required to submit a Final Report for the project.

Progress reports and Final Reports are available at the following website:

[http://www.research.mq.edu.au/for/researchers/how\\_to\\_obtain\\_ethics\\_approval/human\\_research\\_ethics/forms](http://www.research.mq.edu.au/for/researchers/how_to_obtain_ethics_approval/human_research_ethics/forms)

3. If the project has run for more than five (5) years you cannot renew approval for the project. You will need to complete and submit a Final Report and submit a new application for the project. (The five year limit on renewal of approvals allows the Committee to fully re-review research in an environment where legislation, guidelines and requirements are continually changing, for example, new child protection and privacy laws).

4. All amendments to the project must be reviewed and approved by the Committee before implementation. Please complete and submit a Request for Amendment Form available at the following website:

[http://www.research.mq.edu.au/for/researchers/how\\_to\\_obtain\\_ethics\\_approval/human\\_research\\_ethics/forms](http://www.research.mq.edu.au/for/researchers/how_to_obtain_ethics_approval/human_research_ethics/forms)

5. Please notify the Committee immediately in the event of any adverse effects on participants or of any unforeseen events that affect the continued ethical acceptability of the project.

6. At all times you are responsible for the ethical conduct of your research in accordance with the guidelines established by the University. This information is available at the following websites:

<http://www.mq.edu.au/policy/>

[http://www.research.mq.edu.au/for/researchers/how\\_to\\_obtain\\_ethics\\_approval/human\\_research\\_ethics/policy](http://www.research.mq.edu.au/for/researchers/how_to_obtain_ethics_approval/human_research_ethics/policy)

If you will be applying for or have applied for internal or external funding for the above project it is your responsibility to provide the Macquarie University's Research Grants Management Assistant with a copy of this email as soon as possible. Internal and External funding agencies will not be informed that you have approval for your project and funds will not be released until the Research Grants Management Assistant has received a copy of this email.

If you need to provide a hard copy letter of approval to an external organisation as evidence that you have approval, please do not hesitate to contact the FBE Ethics Committee Secretariat, via [fbe-ethics@mq.edu.au](mailto:fbe-ethics@mq.edu.au) or 9850 4826.

Please retain a copy of this email as this is your official notification of ethics approval.

Yours sincerely,

Parmod Chand  
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