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Study on Chinese Haitao Intention

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China is the largest cross-border B2C e-commerce market. However, cross-border online shopping in China is not widely practiced and organizations investing in Chinese cross-border B2C e-commerce need to understand factors that affect Chinese consumers' online buying behavior. This research develops a framework to identify key factors explaining Chinese cross-border B2C purchase intention. The results identify and rank factors influencing the cross-border B2C purchase intention. Moreover, we conclude market segmentation and development strategies.

Keywords: cross-border E-commerce; haitao; haitao intention

I. INTRODUCTION

By 2020, a quarter of the population, amounting to more than half of all digital buyers, will be shopping either directly on foreign-based sites or through third parties. Both researchers and practitioners are paying closer and closer attention to the Chinese local and global ecommerce market. The major contribution of this study is to provide a specific and detailed information about Chinese cross-border B2C e-commerce (CBEC), which is also called haitao in China. The specific objectives are as follow:

1. to develop a comprehensive theoretical study of Chinese CBEC.
2. to review the research and evolution of Chinese CBEC.
3. to elaborate the future development of Chinese CBEC.

Paypal & Ipsos (2017) study on why more and more Chinese choose haitao, and conclude that high quality product, access to items not available inside and product trust are main motivations. In academic field, the related existed research

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are two kinds. One is studied on the online shopping adoption in China (Celemes, Gan and Zhang, 2014) the other is Chinese consumers' behavior toward foreign product shopping (Zeugner-Roth 2015). Obtaining social status, social conformity, and wealth expression psychological mechanism such as consumer ethnocentrism, national identity and consumer cosmopolitanism (Xie, Batra, and Peng, 2015) are the influencing factors of oversea shopping. Product scarcity, convenience and time are motivations of online shopping adoption (To, Liao and Lin, 2007) and hindrance of haitao. However, haitao is different as haitao consumers also face higher risk compared with usual oversea shopping, such as higher price including logistics fee and tariff, private finance information safety. Till 2016, the number of haitao customers accounts to 40% of the online shopping customers and is increasing year by year (emarketer, 2016). We aim to contribute to haitao field both practically and academically. This study offer management cues to the haitao marketers to better satisfy customer's value. For academic field, first, we give a clear and theoretic background of Chinese CBEC.

II. RELATED LITERATURE

Definition of Haitao

Haitao is a new trend in China, which is legalized since 2014. Haitao is the Chinese word for consumers shopping overseas or paying for third parties to buy products and ship them to China (Deng, 2015). Still here is no academic definition of haitao. Haitao is different from cross border ecommerce. Ecommerce wiki (2016) define the cross-border ecommerce as which entails the sale or purchase of products via online shops across national borders. Buyer and seller are not located in the same country and are often not ruled by the same jurisdiction, use different currencies, and speak different languages. However, China Cross-border E-commerce Application Appliances (2016) define that Chinese cross-border E-commerce industry is the main form of transaction in which Chinese business or individual consumers trade and pay with other countries (or regions) through Chinese cross-border e-commerce platforms, creating an international business environment. For haitao not only foreign direct online shopping, but indirect shopping via the inside online shopping mall. Hence, we define haitao as the process that individual consumers shopping oversea product through both the inside and oversea online shopping malls, which offer one step service including tax, tariff and logistics.

However, the definition of the foreign products is becoming increasingly ambiguous due to the globalization of the production (Thompson et al., 2013). Products are designed in one country, are manufactured in another, and are sold in a third. In this research, imported products are the products' brand or design outside of the domestic market. Further, for the shopping malls, we judge its country of origin by its brand. For example, Amazon origin from the US though it localized in China it's still foreign website, while Tmall Global and JD Global though its registered in Hongkong, they still local website. Therefore, the country

of origin (COO) is an important piece of information for the consumers during their decision-making process (Solomon, 2015). It embodies as symbolic value of significance to them such as product quality and social acceptability (Papadopoulos et al. 1990).

To elaborate haitao in detail, we introduce haitao process concretely.

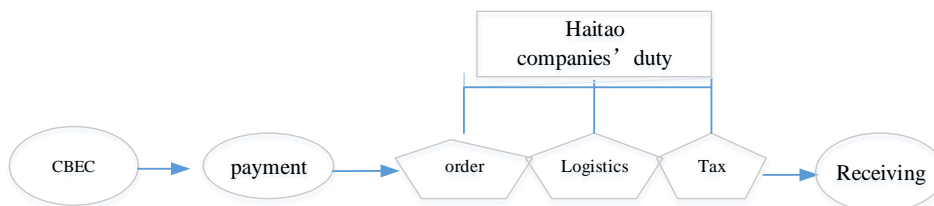


Figure1: Haitao Process

Firstly, they should select haitao shopping mall. Though there are many kinds of haitao shopping malls (Liu & Hong, 2016), customers know exactly whether they are haitao, the shopping mall to make our research easier understood. Table2 describe the haitao website and haitao shopping malls situation. In this research, we adopt 2 kinds of mainstream shopping malls method, One is Chinese online shopping malls which open haitao service in a certain area, such as jd.hk, tmall.hk and suning.com. The other is foreign online shopping malls which open haitao services too, such as amazon.com, lottedfs.com, gmarket.co.kr, and rakuten.com. Specially, amazon.com is localized similar to Chinese website. According to the survey by CNNIC (2015), 59.7% directly from the oversea websites, 56.7% from national websites, 26.9% from weichat and 18.7% from other Chinese intermediary websites. Amazon press (2015) claimed that over 50% Chinese haitao trade occur on Amazon.com, which is known as a localized foreign website in China. The common characteristics of those two kinds of shopping malls are that, they all promise that the products are resourced from oversea. Those two kinds of shopping malls also have their own advantages and disadvantages. For the first kind, their advantages are, good customer basis, familiar safe payment system, stable credit system. However, they also be known as local, for purchasing oversea product, may be risky of fake products. For the second kind, though they are not popular to most customers, their country of origin make sure their product origin (in-depth interview). Secondly, customers should select the product they intend to buy.

Background of Haitao

Driven by globalization and curiosity, more and more Chinese customers became cosmopolitanism and global oriented (Jian, Samuel, Guo and Li, 2010). However, for most Chinese shopping directly from the oversea shopping mall is difficult. They turn to daigou and haitao. Daigou means that customers ask the agent to shop for themselves, which is illegal because of the tax problem. “Haitao” is the Chinese word for consumers shopping overseas or paying for third parties to

buy products and ship them to China (Linda Deng, 2015). So that haitao became the easiest way for Chinese consumers to buy foreign product directly.

Chinese economic development and government policy have contributed to the increase in haitao. China's high GDP growth rate of around 7% from 2013 has increased the purchase power of Chinese consumers, who consider price and product quality as well. These demands coincide with the government's increasing emphasis on consumption and its measures to encourage e-commerce. The Free Trade Zone established in September 27th 2013 was extended to other cities. On July 23rd 2014, Announcement No. 56 of the General Administration of Customs – Announcement on Issues concerning the Regulation of Goods and Articles Entering and Exiting China through Cross-Border Trade E-Commerce became effective and legalized haitao. Secondly, the low trust level of the local product. Especially, in 2008, the Sanlu milk powder scandal finally evolved into a nationwide dairy-industry crisis in China (Chen, 2009). These examples of China's immature market gave Chinese consumers low levels of trust on local products and local brands, and increased respect for foreign products. In 2016, the amount of transaction hit \$85.76 billion, up from \$57.13 billion in 2015, as 40 percent of China's online consumers buy foreign goods (eMarketer, 2015).

Haitao Motivations and Hindrance

According to Paypal and Ipsos (2017) the hindrance of haitao mainly includes long logistics time (34%), logistics fee (33%), complicated return process (33%) and private finance information safety (33%). For the latent customer, fake product (35%) and unclear tax (33%) are their mainly hindrance. In the beginning, Chinese haitao customers mainly shop from American, however, Japanese and Korean online shopping malls became more popular from 2016. The motivation of haitao including high quality product, access to items not available inside and product trust compared with the global cross-border e-commerce motivation as better price, new and interesting products (Paypal and Ipsos, 2017). Hence, Chinese consumers differ from the global ones in their value perception.

Convenience and time are motivation of online shopping (Ghosh, 1998; Morganosky and Cude, 2000; To, Liao and Lin, 2007). Celemes, Gan and Zhang (2014) study on factors influencing Chinese online shopping adoption and conclude that perceived risk, consumer resources, service quality, subjective norms, product variety, convenience, and website factors influence Chinese online shopping positively. However, haitao as an online shopping has deficiency in time and convenience. Still many Chinese are crazy about haitao, until 2016, 40% of the online shopping customers use haitao (emarketer, 2016).

Haitao is Unique

Haitao is different from cross-border B2C ecommerce. From the above basic information of haitao we learned that haitao is different from cross-border B2C ecommerce. Local shopping malls are also important for haitao. The main channels for Chinese haitao are as follows: 59.7% directly from the oversea

websites, 56.7% from national websites, 26.9% from wechat and 18.7% from other Chinese intermediary websites website (CNNIC, 2015).

Haitao is also different from local online shopping and overseas shopping. Compared with local online shopping, the cost is higher, which including tax and logistics cost, meanwhile, the return service is more difficult to conduct.

Haitao Intention

As Morinez et al. (2007) define purchase intention as a situation where consumer tends to buy a certain product in certain condition. As the purchase intention can be influenced by perceived value and perceived quality (Monroe and Krishnan, 1985). The higher the perceived value the higher purchase intention (Zeithmal, 1988). Haitao intention is a specific online purchase intention. However, haitao intention involves website choice, as consumers shopping from local. The concept of online purchase intention differed as the background differed. Online purchase intention is the situation when a customer is willing and intends to become involved in online transaction (Pavlou, 2003). In this research, haitao intention refers to the situation when a customer is willing and intends to become involved in haitao transaction. To fulfill the transaction, customers need information of the transaction (Pavlou, 2003). In haitao process, the transaction information is haitao shopping malls choice. The three kinds of haitao shopping malls are different, so in this research we divided haitao intention into three dimensions: foreign product local website haitao intention (FLHI), foreign product foreign website haitao intention (FFHI). As the definition of haitao is buying foreign product, local product through foreign website is not our research object.

Lee, Choo, and Lee (2016) study on Korean Fashion Consumers' Purchase Intention on Cross-border Online Shopping, and conclude consumer's hedonic motivation influence consumer's cross border online shopping intention. A large body of literature proposes that consumers in emerging markets prefer foreign products to local products to obtain social status, social conformity, and wealth expression (Batra et al. 2000; Ger and Belk 1996; Wang and Yang 2008; Guo 2013). Batra et al. (2000) mention that consumers in developing countries prefer nonlocal brands because of both perceived quality and social status. Furthermore, consumers prefer the developed original brand and products having a unique lifestyle and shopping orientation, and evaluate the products originated from developed countries or joint ventures highly and positively (Wang and Yang 2008).

Furthermore, existed studies have examined the initial reasons such as global orientation, consumer ethnocentrism, national identity and consumer cosmopolitanism; for consumers' preference to brands and products from developed countries (Guo 2013; Xie, 2015; Zeugner-Roth 2015; Swoboda 2012; Bartsch, Riefler, and Diamantopoulus's 2016).

Whether factors influencing Chinese customer's influencing overseas product shopping intention also influence haitao intention needs further study. As we study haitao intention from the customer perspective, we adapt consumer

characteristics factors such as materialism, consumer cosmopolitanism, ethnocentrism, status anxiety, Mianzi and Swift Guanxi as predictors of haitao intention and perceived value of haitao.

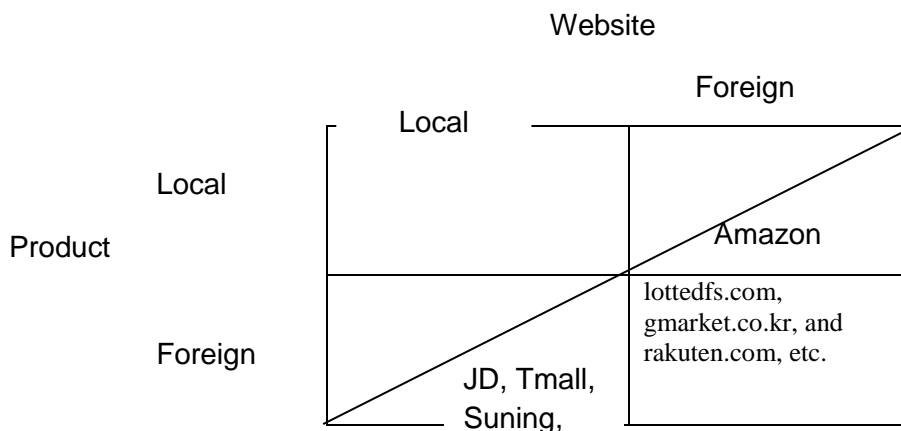


Figure 2. Haitao Website Category

Materialism

Consumer research on materialism has focused on conceptualizations developed by Belk (Belk, 1982, 1983, 1985; Belk & Ger, 1995; Ger & Belk, 1996), Richins (e. g., Fournier & Richins, 1991; Richins, 1994a, 1994b; Richins & Dawson, 1992) and Ronald Inglehart (Inglehart, 1971; Abramson & Inglehart, 1995; Inglehart, 1977, 1990). Belk originally viewed materialism as a collection of three personality traits: envy, nongenerosity, and possessiveness (Belk, 1985). A fourth trait, preservation, was added in subsequent cross-cultural studies of the materialism scale (Ger & Belk, 1996). Richins and Dawson (1992) view this concept as a phenomenon where individuals have material acquisition at the centre of their lives and view these material possessions as the key(s) to their happiness. Concurrently, they believe that highly materialistic individuals judge personal success (and the success of others) as a function of the number and quality of possessions owned (Richins and Dawson, 1992). Operationally, the Richins and Dawson scale in 1992 contains three measures – Success, Centrality and Happiness. Further, they found that those high in materialism tend to place a higher value on items that can be worn or seen in public (Richins, 1994). Inglehart sees materialism as a chronic focus on lower order needs for material comfort and physical safety over higher order needs such as self-expression, belonging, aesthetic satisfaction, and quality of life (Inglehart, 1990, pp. 66–68). In this research, we adopt Richins definition and scale of materialism.

Materialism has become a growing issue of concern with regard to consumers in emerging markets (Chan 2005; Ger and Belk 1999; Lee and Workman 2011; Podoshen, Li, and Zhang 2011). According to the investigation (2013) Chinese materialism ranks first in the 20 countries, the average of consumer's crazy about materialism is 34% compared with 71% of Chinese (Wang & Zhu, 2016). In the

beginning of the People 's Republic of China 1949, Maoism controlled China, which emphasized egalitarianism and considered material affluence to be the stigma of a capitalist society and anathema to the values of the new China (Yang & Stening, 2012). During the Cultural Revolution (between 1966 to 1976) the values changed more, (McGregor, 2010). However, it changed after 1978 economic reform, as Deng advocate "To be rich is glorious"; "It doesn't matter if a cat is black or white, so long as it catches mice"; "Let some people get rich first". The great change promoted the development of materialism.

Consumer Cosmopolitanism and Ethnocentrism

Bartsch, Riefler, and Diamantopoulos (2016) conduct literature review and conclude the positive consumer dispositions toward foreign countries and globalization. Cosmopolitanism, internationalism, ethnocentrism cultural openness, xenocentrism, etc. are all the positive dispositions. Among them, cosmopolitanism is the most prominent construct, which various authors have conceptualized using different levels of abstraction and breadth (Bartsch, et al. 2016). There are different kinds of definition on cosmopolitanism, we adapt Nijssen and Douglas' (2008) definition, cosmopolitanism is (consumer) world-mindedness, which describes openness to other cultures and a willingness to try unfamiliar products from foreign countries.

Ethnocentrism was originally conceived as a purely sociological concept that distinguished between in-groups and out-groups (Sumner, 1906). By definition, consumer ethnocentrism represents one's beliefs about the appropriateness and moral legitimacy of purchasing domestic products while against foreign products (Shimp & Sharma, 1987). A high tendency of consumer ethnocentrism is found to be associated with more patriotic and conservative (Sharma et al., 1995) but less world mindedness (Balabanis, Diamantopoulos, Mueller & Melewar, 2001). The tendency of ethnocentric consumers to exhibit preferences for domestic rather than imported products has been well documented in the literature (Cleveland et al., 2009; Rawwas, Rajendran, & Wuehrer, 1998; Sharma et al., 1995; Vida et al., 2008).

Mianzi and Swift Guanxi

Mianzi

The concepts of mianzi (face) and guanxi ("personal relationship" in English) have been widely recognized in psychology, sociology and the business literature as two of the most significant cultural values dominating Chinese people's behavior (e.g., Chan, 2006; Chen, 1988; Hwang, 1987; Luo, 1997). Chinese people's strong concern for academic efforts have focused on the organizational level of guanxi, whereas individual customers have hardly been recognized (e.g., Gilbert and Tsao, 2000; Leung et al., 2005;) face and their emphasis on guanxi have received increasing attention in international business (e.g., Barnes et al., 2011) and consumer behavior (e.g., Chan et al., 2009). However, these two

cultural values have not been comprehensively discussed in the extant literature on online shopping or oversea shopping, not mentioned haitao. In addition, previous studies in marketing have mostly investigated these values independently, even though their interactive and interrelated nature has been highlighted in the sociopsychology literature (e.g., Chan, 2006; Hwang, 1987).

The concept of face underlies the human need for social acceptance (Brown and Levinson, 1987). The classical sociopsychological research of Goffman (1967) defined face as a claimed sense of favorable social self-worth that a person wants others to have of her/him in a relational and network context. Face cannot be claimed unilaterally but can be gained, maintained or lost during social interaction. The degree of face is measurable on a continuous scale (Chen, 1988).

Chinese usually attach greater importance to face compared with other countries, influenced by confucian (Chan et al., 2009; Ho, 1976; Hu, 1944). Concern for face refers to the extent to which an individual shows regard for and interest in the protection and enhancement of face (Chan et al., 2009).

Swift Guanxi

Ou et al. (2013) study on computer media communication and put forward the conception of swift guanxi, which means the buyer's perception of a swiftly formed interpersonal relationship with a seller, which consists of mutual understanding, reciprocal favors, and relationship harmony. These three dimensions of swift guanxi help ensure transactions in online marketplaces where arbitration is relatively difficult and buyers and sellers cannot enjoy the luxury of face-to-face interaction (versus traditional guanxi). Mutual understanding refers to buyers' and sellers' appreciation of each other's needs. Reciprocal favors refers to positive benefits from buyers' and sellers' interactions (e.g., Lee et al. 2001; Lee and Dawes 2005; Leung et al. 2005; Luk et al. 1999; Wong 2007). Relationship harmony refers to mutual respect and conflict avoidance. Relationship harmony is a common component of guanxi (e.g., Lee et al. 2001; Leung et al. 2005; Su et al. 2000).

Perceived Value

Value is a subjectively perceived construct (Kortge and Okonkwo, 1993), as for the same product, different customer perceive different values. So is for the same channel. Perceived value is defined by Zeithmal (1988, p.14) as the consumer's overall assessment of the utility of a product, based on perceptions of what is received and what is given. So that perceived value depends on two aspects: benefits customers received and sacrifices customers make (Dodds, Monroe, & Grewal, 1991; Teas & Agarwal, 2000; Zeithaml, 1988). The existing research of perceived value, usually use the benefits variables such as price and quality as predictor of value (Baker et al, 2002; Chen and Dubinsky, 2003; Vieira, 2013). This research is from the perspective of benefits (Gupta and Kim, 2010). However, casted from consumer mental accounting theory, different consumers perceive benefits differently even for same product. We aim to study on the way how different consumers perceive value from consumer psychological factors

such as customer innovativeness, cosmopolitanism, materialism, Mianzi and Guanxi.

There are two mainstream about perceived value, one deem perceived value as one-dimensional construct Agarwal and Teas, 2002; Brady and Robertson, 1999; Chang and Wildt, 1994; Dodds, 1991; Hartline and Jones, 1996; Kerin et al., 1992; Sweeney et al., 1999), the other insist it as multi-dimensional construct (Babin et al., 1994; Holbrook, 1994, 1999; Huber et al., 2000; Mattsson, 1991; Sheth et al., 1991a; Sweeney and Soutar, 2001; Williams and Soutar, 2000).

Table 1: Research Stream on Perceived Value

Authors	Context	Main research questions/purpose	Method	Key findings
Sheth, Newman, and Gross (1991a, 1991b)	Different dimensions of perceived value	What we buy and why we buy	Quantitative analysis	Consumption value dimensions and that these dimensions make varying contributions in different choice situations. (social, emotional, functional, epistemic and conditional value)
Ankit & Mayur (2013)	Consumer Purchase Intention	How green advertising affects consumers purchase intention of green products	Quantitative analysis	Consumer attitude toward green advertising significantly influences consumer purchase intention of green products
Kim & Gupta (2009)	Perceived value, perceived risk and purchase Intention	This study is to examine the differences of consumer purchase decision between potential and repeat customers based on mental accounting theory and information processing theory.	Questionnaire, SEM	The authors find that value perception is more strongly influenced by the perceived risk factor than by the perceived price factor for potential customers, where as it is more strongly influenced by the monetary factor than by the non- monetary factor for repeat customers.
Chang & Tseng (2013)	Perceived risk, perceived value and purchase intention	This study to prove that perceived risk plays the role of moderating the influence of perceived value on purchase intention. And to find out which attributes are the most important for e-store image and whether	Questionnaire, SEM, AMOS	The authors find that store image influences purchase intention through perceived value and utilitarian value exerts a larger influence than hedonic value; however, perceived risk does not moderate the relationships between two types of perceived value and purchase intention.

		utilitarian or hedonic value is more important in the online shopping process.		
Chi, Yeh & Tsai (2011)	Perceived value and purchase intention	To explore the effects of advertising endorser on perceived value and purchase intention	Questionnaire	The results show that advertising is significantly affected to perceived value, and perceived value is significantly affected to purchase intention.
Wu, Lai, Wu, & Fu (2012)	perceived value and purchase intention	The influence factors to the perceived value and purchase intention	Bundling theory, attribute model, and appraisal theory	Discount makes consumers to perceive higher value and more intention toward buying products for high level of perceived controllability. Hope moderates the effects of perceived controllability, discount and perceived risk on consumer's perceived value and purchase intention.

Brasherar et al. (2009), conclude that there is a large gap between developed and developing countries on understanding how consumers perceive online shopping value, by comparing 6 countries. Lim and Cham (2015) developed this research by conducting research in 9 countries and conclude that the internet shoppers respond positively towards the motivational and attitude aspects of online shopping. In context with haitao, we choose consumer's perceived social value, emotional value, and functional value as our mediating variable. In online retailing settings not only the product itself, but also the website, the internet channel and the processes of finding, ordering, and receiving products contribute value to customers (Keeney, 1999).

Product Scarity

Broadly speaking, hedonic goods provide more experiential consumption, fun, pleasure and excitement (designer clothes, sports cars, luxury watches, etc.), whereas utilitarian goods are primarily instrumental and functional (microwaves, minivans, personal computers, etc., Hirschman and Holbrook, 1982; Dtrahilevitz and Myers, 1998; Dhar & Wertenbroch, 2000)

III. METHODOLOGY

To test the hypothesis, we conduct the investigation among 264 Chinese CBEC customers. This paper adapts scales that have been used in past research for this

study. Then the investigation group collects feedback from survey respondents and revised the questions based on their suggestions. All the items are measured on a seven-point Likert scale with anchors ranging from “strongly disagree” to “strongly agree.” The detail information of the investigation is shown in Table 2.

Table 2. Descriptive Statistics of Respondent Characteristics

Variable	Item	Count	%
Gender of respondent	Male	91	39.49
	Female	140	60.6
Age of respondent	18-25	16	6.9
	26-30	97	42
	36-45	105	45.5
	46-55	13	5.6
Monthly income	<5,000RMB	54	23.4
	5,000-10,000	114	49.4
	10,000-20,000	46	20
Product category	>20,000	17	7.4
	Baby care	54	23.4
	Cosmetics & Personal Care	82	35.5
	Food & Health	30	13
	Fashion & sports	23	10
Distribution of respondent	Electronics	42	18.2
	Tier1 city	57	24.7
	Tier2 city	51	22.1
	Tier3 city	104	45.2
	Others	19	8.2

Reliability and Validity of the Measures

We use SPSS to test the reliability and validity of the variable, the result shows a good fit. All the Cronbach’s alphas are near or higher than 0.7 for all constructs, which shows a good reliability. Confirmatory factor analysis (CFA) indicates one factor model for each construct are as follows: $\chi^2 = 301.596$ ($p < 0.001$), $df = 195$, $IFI = 0.964$, $CFI = 0.963$, $GFI = 0.887$, $AGFI = 0.852$, $NFI = 0.914$, $RMSEA = 0.054$.

Then this study estimates the hypothesized relationships using structural equation modeling, and estimated the structural model described in Table 11 and Figure4 using Amos 24 with maximum likelihood estimation method. The results show that $\chi^2 = 301.596$, $df = 195$, $p < 0.001$, $IFI = 0.97 > 0.9$, $CFI = 0.970 > 0.9$, $GFI = 0.893 > 0.85$, $AGFI = 0.861 > 0.8$, $NFI = 0.92 > 0.9$, $RMSEA =$

0.049<0.05. Thus, the overall goodness of fit statistics shows that the structural model fits the data very well.

IV. RESULTS

Consumer Materialism

Follow Richins and Dawson (1992), materialism consumers view material possessions as the key(s) to their happiness. Materialism has become a growing issue of concern with regard to consumers in emerging markets (Chan 2005; Ger and Belk 1999; Lee and Workman 2011; Podoshen, Li, and Zhang 2011). Consumer's materialism influence purchase intention positively (Kamal, Chu, & Pedram, 2013), and influence consumer's perceived value on global product and brands (Alden, Kelly, Riefler, Lee and Soutar , 2013).

Hence, we hypothesize that

H1a: Consumer materialism positively influence consumer's haitao intention.

H1b: Consumer materialism positively influence consumer's perceived value on haitao.

Consumer Cosmopolitanism, Ethnocentrism

Cosmopolitanism influence consumer's oversea shopping positively (Bartsch, Riefler, and Diamantopoulos's 2016). Consumer cosmopolitanism may perceive higher value from haitao, compared with the normal consumers. The tendency of ethnocentric consumers to exhibit preferences for domestic rather than imported products has been well documented in the literature (Cleveland et al., 2009; Rawwas, Rajendran, & Wuehrer, 1998; Sharma et al., 1995; Vida et al., 2008). A normative response to brand of origin may influence consumer preference formation and induce consumers' compliance to the feeling of nationalism (Pecotich & Rosenthal, 2001). So we hypothesize that,

H2a: Consumer cosmopolitanism positively influence customer's haitao intention.

H2b: Consumer cosmopolitanism positively influence customer's perceived value.

H3a: Consumer ethnocentrism negatively influence customer's haitao intention.

H3b: Consumer ethnocentrism negatively influence customer's perceived value.

Mianzi and Swift Guanxi

Concern for face leads to face consumption, which means consumers buying to enhance maintain or save face (Su and Li, 2006). Previous studies have indicated that Chinese consumers are strongly motivated to enhance or protect face by showing off luxury possessions, telling prestigious stories and hiding their misconduct (e.g., Hsu and Lam, 2003; Li and Su, 2007; Ma, 2009; Hwang et al., 2003; Zhou and Belk, 2004). Still, there are some exceptions (Bao et al., 2003; White et al., 2004). Li and Su (2007) put out face consumption, which including face conformity consumption, face distinctiveness consumption and other-

orientation (give others face). Haitao as an oversea consumption, pursuing innovative items is one of the main motivation. Unique and innovative items is a kind of face distinctiveness consumption. Furthermore, mothers buying baby product, may also face conformity consumption. However, there is no certification. Hence, we hypothesize that,

H4a: Mianzi influence consumer's perceived value positively.

H4b: Mianzi influence consumer's haitao intention positively.

Swift guanxi emphasize how an informal buyer-seller relationship can be established in online marketplaces that consists of mutual understanding, reciprocal favors, and relationship harmony (Ou et,al, 2013). The online shopping malls swift guanxi with the customer positively influence customers' perceived value and purchase intention. Online shopping the website is easier to get the consumer's information, hence, retaining guanxi with the consumers is of importance for the development of the shopping malls. Maintaining guanxi with consumers may positively influence haitao intention and consumer's perceived value of haitao. Hence, we hypothesize that,

H5a: Swift Guanxi positively influence consumer's perceived value

H5b: Swift Guanxi positively influence consumer's haitao intention

Product Category

Consumers tend to perceive different value from different types of product. They differ in their preferences for online and traditional outlets based on the varied importance associated with different product attributes (Levin et al. 2003 and 2005). Thus, researchers propose that online products can be categorized by whether their dominant product attributes are digital or non-digital (Biswas and Biswas 2004; Lal and Sarvary 1999).

According to Iresearch (2016), the top 4 popular haitao products are: Baby care - 32%

Cosmetics and personal care - 25% Food and health - 24% Fashion - 13% other - 6%. However, the result of amazon press (2016) is different, the top is baby care, Cosmetics & Personal Care, Fashion, and Food & Health, and electronics. So that in this study, we choose these four categories as moderating variable.

The result shows that our all hypothesis except H1b and H3a and H3b, others are supported. That means consumer materialism positively influence consumer's haitao intention. However, the relationship between consumer materialism and perceived value is not significant.

Consumer cosmopolitanism positively influence both consumers' perceived value and their hitao intention. But, there is no significant relationship between consumer ethnocentrism and consumers' perceived value and their haitao intention. Furtherly, Mianzi and Swift Guanxi positively influence consumers' perceived value and haitao intention.

V. DISCUSSION

From the result we learn that, consumer materialism and consumer cosmopolitanism positively influence consumer's haitao intention and the perceived value of Haitao. That means customers have higher pursue standards of material and open to the world will be the haitao customers. Then customers who pay more attention to Mianzi and Guanxi will be the target customers. Which indicate that the CBEC marketers should carefully establish Swift Guanxi with the customers, and help the customers to improve their Mianzi.

However, we hypothesized that consumer ethnocentrism negatively influence consumers' perceived value and haitao intention, the result shows that consumer ethnocentrism failed to influence perceived value and haitao intention. This maybe the future research about consumer ethnocentrism. Even ethnocentric customers still have haitao intention and evaluate haitao highly.

VI. CONCLUSION

In this paper, we study on the current cross-border e-commerce situation in China. We find out that customer cosmopolitanism, ethnocentrism, customer materialism, mianzi and swift Guanxi influence Chinese customers' perceived value towards CBEC product. Furthermore, customers' perceived value mediated the relationship between customer cosmopolitanism, ethnocentrism, materialism, mianzi, swift Guanxi and Haitao intention. However, the sample of this research is not enough and the analyzing process is not rigorous. In t

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