EMERGING CONSUMER PERSPECTIVES ON AMERICAN FRANCHISE OFFERINGS: VARIETY SEEKING BEHAVIOR IN CHINA

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Abstract

Chinese consumers had been historically restricted to limited variety with regards to consumer goods and services offerings since the days of Mao Zedong’s founding of the People’s Republic of China in 1949. The realities of a planned economy restricted the choices available to those provided through domestic producers, while limited trade with the outside world did not provide significant alternatives. From the early 1980s, however, through the opening of China’s economy by Deng Xiaoping and his successors, Western companies have started to gain access to the Chinese market. Their products not only became sought-after alternatives by Chinese consumers, but even market-leaders for choice-starved consumers. This article reports the results gleaned from recent consumer survey data collected in Beijing which investigated the attitudes and behaviors of Chinese consumers in their patronage of McDonald's restaurants. A total of four hypotheses were tested regarding the influence of Variety Seeking proclivity amongst Chinese patrons of McDonald’s on their sentiments of Desire for Unique Products, Democratization, Ethnocentrism and Traditionalism. The emergent evidence suggests that Chinese consumers are reverting back to choosing Chinese brands as an expression of their variety seeking efforts and, in a broader sense, of rising consumer power. Chinese brands have reached a level of quality perception that has allowed them in recent years to take back market share from Western market leaders. The findings of this study suggest that a reversal of consumer preferences toward now-competitive domestic Chinese alternatives is underway.