

Hong Kong Baptist University

HKBU Institutional Repository

Department of Communication Studies Journal
Articles

Department of Communication Studies

1-6-2006

Rural Chinese children as consumers: consumption experience and information sourcing

Kara Chan

Hong Kong Baptist University, karachan@hkbu.edu.hk

James U McNeal

Follow this and additional works at: https://repository.hkbu.edu.hk/coms_ja



Part of the [Communication Commons](#)

This document is the authors' final version of the published article.

Link to published article: <http://dx.doi.org/10.1002/cb.170>

APA Citation

Chan, K., & McNeal, J. (2006). Rural Chinese children as consumers: consumption experience and information sourcing. *Journal of Consumer Behaviour*, 5 (3), 182-192. <https://doi.org/10.1002/cb.170>

This Journal Article is brought to you for free and open access by the Department of Communication Studies at HKBU Institutional Repository. It has been accepted for inclusion in Department of Communication Studies Journal Articles by an authorized administrator of HKBU Institutional Repository. For more information, please contact repository@hkbu.edu.hk.

RURAL CHINESE CHILDREN AS CONSUMERS: CONSUMPTION

EXPERIENCE AND INFORMATION SOURCING

Keywords: China – rural -- child – consumption – information sources

Dr. Kara Chan*

Associate Professor

Department of Communication Studies

Hong Kong Baptist University

Kowloon Tong, Hong Kong

Tel: (852) 3411 7836 Fax: (852) 3411 7890

email: karachan@hkbu.edu.hk

Professor James U McNeal

Visiting Professor

Guanghua School of Management

Peking University

Beijing, China 100871

email: mcnealjimu@yahoo.com

Paper published in the *Journal of Consumer Behaviour*

Volume 5, 182-192

*Please send all correspondence to this author.

Acknowledgement: The work described in this paper was fully supported by a Faculty Research Grant from the Hong Kong Baptist University (Project No. FRG/02-03/II-19)

Running head: *Rural China*

Not to be copied or quoted without expressed permission of the author.

RURAL CHINESE CHILDREN AS CONSUMERS: CONSUMPTION

EXPERIENCE AND INFORMATION SOURCING

Abstract

This study examines how often rural children in Mainland China interact with different types of retail shops, how they learn about new products and services, and their attitudes toward different sources of product information. A survey of 1,008 rural children ages five to thirteen in four Chinese provinces was conducted in March 2003. Results indicated that rural Chinese children have limited access to various types of retail shops. Rural children perceived personal sources more useful as well as more credible than commercial sources in obtaining information about new products and services. Older children found parents and grandparents less useful and less credible than younger children for new production information. However, older children did not find peers more useful and credible than younger children. John's (1999) theory of consumer socialization was partially supported.

(132 words)

RURAL CHINESE CHILDREN AS CONSUMERS: CONSUMPTION

EXPERIENCE AND INFORMATION SOURCES

Introduction

China, the country with the largest population of children in the world, adopted a Single-Child Policy in 1979 (Zhang and Yang, 1992). In recent years, there is sign of relaxation of the policy in some cities. For example, Shanghai announced that divorcees, husband and wife coming from a one-child family could have two children (Channel NewsAsia, 2004). These only children have a substantial amount of their own money to spend and exert a great influence on their household spending (McNeal and Yeh, 1997). In the year 2001, there were almost 300 million children under age 15 in China with approximately one-third urban, two-thirds rural (Population Reference Bureau, 2003). Virtually all consumer research regarding youth has been conducted among China's urban third of the population while ignoring the two-thirds in the rural areas. The study presented here remedies this omission by reporting the first study of children's consumer behavior in rural China. Specifically, this paper focuses on rural children's experiences in the marketplace and their perceptions of the sources of information about new products that may be found in the marketplace.

Besides the fact that China's rural geography holds two-thirds of its youth population, there are other important reasons to study this group. First, social and economic reforms are

Rural China

leading to a rapid increase in consumer incomes and demand for products and services (Batra, 1997). China's enormous population and growth in consumer demand are resulting in several new market segments with distinctive profiles including its children (Schmitt, 1999). The children have enormous market potential, theoretically more than any other demographic group, since they have their own money to spend, they determine perhaps 67 percent of their parents' spending, and they have all of their purchases ahead of them (McNeal and Yeh, 1997). Also, it is important to know what information they use to guide their marketplace behavior since it will determine their purchases and their purchase requests to their parents. McNeal and Ji (1999) studied 460 urban Chinese children in grades 4 to 6 and found that television was a very important source of new product information, but did not extend their work to the rural regions. Yet, rural Chinese children's shopping behavior patterns together with their product information gathering are very important to the design of strategies of those marketers that target this large market.

Literature Review

Rural development and consumption patterns

Rural China, the focus of this study, is defined here as the population of 900 million men, women, and children who reside in population centers of less than 200 thousand and whose major economic activity is farming.

Since Premier Deng Xiaoping established the Open policy in 1979, the Chinese

Rural China

economy has been enjoying rapid growth. Its annual percentage increase in GDP for the period 1979 to 2000 averaged above seven percent. During the initial five years from 1979 to 1984, the growth rates for the agricultural and industrial sectors were similar. For the period 1985 to 2000, agriculture continued to grow but at only one-third of the pace of industry and about half that of the service sector, due to rapid industrialization and the development of the Special Economic Zones (Anderson, Huang and Ianchovichina, 2003). Agriculture's share of employment dropped steadily from 69 percent in 1980 to 50 percent in 2000 (State Statistical Bureau, 2002). As a result, there has been a widening gap in income between the urban and the rural.

Lu and Peng (2000) analyzed the rural consumption structure for the period 1978 to 1998 and found that rural residents were spending an increasing percentage of their income on housing, education and recreation services, indicating improvements in living standards. Despite these improvements there is still a large difference in the consumption patterns between urban and rural China. Based on the per capita annual living expenditures in 1999 (State Statistical Bureau, 2001), rural households spent a significantly greater share of income on food items and housing, and a lesser share on clothing and services when compared to their urban counterparts. The gradual urbanization of some rural areas has allowed their peasants to experience urban life for the first time. Table 1 summarizes the possessions of consumer durables among both

rural and urban households in 2001.

[INSERT TABLE ONE ABOUT HERE]

In the first six months of 2004, consumer retail sales of the nation were 2.525 trillion yuan. The urban residents that represent about one-third of the population contributed almost two-third of the total retail sales. The remaining two-thirds of the population residing in rural areas contributed one-third of the total retail sales (State Statistical Bureau, 2004). One of the reasons accounting for the relatively low consumer retail sales in rural China is the lack of infrastructure. Some villages do not have tap water and a stable electricity supply and therefore cannot adopt household appliances such as washing machines and refrigerators. Most manufacturers consider rural China as a secondary market and some even channel poor quality products to its villages and towns (Economic Daily, 1999). The rural consumer markets have several characteristics including vast geographical differences, high seasonality, lack of developed marketing channels, preference for basic product features, emphasis on durability and post-sales guarantees, and reliance on opinion leaders in brand selection (Economic Daily, 1999). Rural China suffers from a poor distribution system and an availability of products and services. The Rural Marketing and Sales Agency was established as a national distribution network for sales of agricultural and consumer products. However, it has suffered from the problems of low productivity, high deficit,

outdated facilities, lack of cash flow, and lack of expertise (China Village and Town Enterprise Newspaper, 1999). Some manufacturers have opted to organized their own sales force to market household appliances to farmers directly (Economic Daily, 1999). In our visit to a Rural Marketing and Sales Agency shop in Chengdu in August 2003, it was found that there was only one salesperson (the owner who subcontracted the shop from the government) and virtually no customers. The shop was poorly lit and was in a shabby condition.

Scholars generally assume that rural and urban populations have different cultures. Table 2 summarizes the rural-urban differences in family, group relationship, and values characteristics according to Rogers (1960), a pioneer in studying rural populations. Given the differences in economic and social development of rural and urban societies, one might assume that consumer behavior of rural Chinese children would be different from their urban counterparts. We might expect, also, that cultural factors would influence the consumer socialization process. China has a long history of being an authoritarian society that emphasizes Confucius's five cardinal relations between sovereign and minister, father and son, husband and wife, old and young, and friends (Yang, 1959). Chinese people have a strong respect for authority (Bond, 1991) and are ready to accept authority without question (Yau, 1988). Therefore, it is likely that parents and teachers in rural areas would be seen as important socializing agents, perhaps even more important than television.

[INSERT TABLE TWO ABOUT HERE]

Children as Consumers

The process by which children acquire skills, knowledge, and attitudes relevant to their functioning as consumers in the marketplace is termed consumer socialization (Ward, 1974). Children learn consumer behavior patterns from various socializing agents including parents, peers, schools, stores, media, and the products themselves and their packages (Moschis, 1987).

There are two principal interpersonal sources from which children learn about products and their consumption: parents and peers. It has been shown for years in Western nations that the parents are probably most instrumental in teaching young people basic rational aspects of consumption such as understanding price-quality relationships, handling money wisely, and obtaining appropriate information before making purchases (e.g., McNeal, 1987; Ward et. al., 1977). Evidence suggests that the more often that parents or other caretakers take children shopping, the more conscious the children become of information about products such as their brands and prices (Shim et. al., 1995). A survey of Beijing children indicated that urban children often accompany their parents to the marketplace and make independent purchases (McNeal and Yeh, 1997). The most frequented store types were food stores, toy stores, and stationery stores, in this order. There is evidence to suggest that family communication processes modify the effects of other socializing agents,

in particular the medium of television (McLeod et. al., 1982). In China, parents hold negative attitudes toward television advertising. They perceive that advertising is deceptive and annoying (Chan and McNeal, 2003).

Like parents, peers can directly and indirectly affect children's consumer socialization. Several studies suggest that children learn the symbolic meaning of goods or expressive elements of consumption from their peers at school and at play (Moschis and Churchill, 1978; Moschis and Moore, 1982). In addition, peers play an important role in the development of children's preference for stores, products, brands of selected products, media, and television programs. In China the prevalence of the single-child household would seem to give even more than normal regard to peers as playmates, and therefore, as influencers of children's consumer behavior patterns.

There are a number of commercial sources of information about products and their attributes, but two—retailers and media—have been empirically shown to be particularly important. Advertising media have probably received more attention in the research literature than any other socializing agent (Moschis, 1987). Both advertising and editorial/program content of the mass media provide children with knowledge and guidance in their consumer behaviour development. McNeal and Ji (1999) found that Chinese children utilized a wide variety of information sources to learn about new products including parents, retail outlets, and the mass media, and that they considered television to

be the most important. The researchers concluded that a new consumer generation is emerging in urban China that is more exposed to and more open to commercial sources.

Integrating Piaget's (1970) theory of cognitive development and Selman's (1980) theory of social development, John (1999) proposed a model of consumer socialization. In the model, consumer socialization is a developmental process from the perceptual stage to the analytical stage, then to the reflective stage. Children in the perceptual stage (aged 3-7) have limited awareness of information sources. Children in the analytical stage (aged 7-11) have an increased awareness of personal and mass media sources. Children in the reflective stage (aged 11-16) have contingent use of different information sources depending on the product or situation (John, 1999). As children grow older, they develop a greater awareness of different information sources and deploy these sources in a more flexible manner (Moore and Stephens 1975; Moschis and Moore 1979; Stephens and Moore 1975; Ward et al. 1977). They also develop preferences for specific information sources (Moore and Stephens 1975). In John's (1999) model of consumer socialization, information sources refer to general product information sources. We think that the model should also be applicable to new product information sources, which is a specific category of product information. The current study adopts a consumer-oriented approach in defining an innovation (Rogers, 1995). A "new" product is any product that a potential consumer (a child) judges to be new. It can be products to be used by children or by adults.

Hypotheses

Previous research indicates that children from lower income households use more personal sources of information than institutional sources of information for obtaining market information (e.g., Bearden et al. 1979). Chinese parents hold negative attitudes toward television advertising in general and children's advertising specifically.

Ninety-eight percent of parents exercise some control over the contents and time of television viewing. As the household income standing of rural society is generally lower than that of urban populations, there are less mass media reaching rural China, and a resulting reliance on interpersonal information, we therefore hypothesize that

H1: Rural children will find personal sources more useful than commercial sources in getting information about new products and services.

H2: Rural children will find personal sources more credible than commercial sources in getting information about new products and services.

According to John's (1999) model of consumer socialization, children in different developmental stages will use different information sources for different product categories or situation. They also develop preferences and skepticism for specific information sources. Younger children acquire their consumer behaviour norms through observing their parents and older siblings, while adolescents and teenagers are likely to look to their friends for consumption models. A survey of 1758 grade 1 to 6 Chinese children found that skepticism

Rural China

of advertising increase with age. Seventeen percent of children in grade 1 perceived that nearly all television commercials are true while only six percentage of children in grade 6 thought so (---, forthcoming). Therefore, we hypothesize that

H3: Older children will find parents and grandparents less useful than younger children in obtaining new product information.

H4: Older children will find peers more useful than younger children in obtaining new product information.

H5: Older children will perceive commercial sources less credible for new product information than younger children.

Methodology

Participants and Procedures

Respondents were 1008 grade 1 to 6 students ages 5 to 13 years, who were recruited from twelve schools in Heilongjiang, Hubei, Hunan and Yunnan. All the schools were situated in counties with population of less than 150,000. There were nearly equal numbers of boys and girls. The average age of the respondents was 10.0 years (SD=1.9 years).

Forty-two percent of the respondents were the only child in the family. Boys were significantly more likely to be a single child than girls (Chi-square= 28.6, $p < 0.001$); fifty-one percent and thirty-four percent of boys and girls were single-children respectively.

A draft questionnaire in Chinese was constructed based on previous studies (McNeal and Ji,

Rural China

1999; Bu, 2001). The questionnaire was tested, revised, tested again and finalized. In the pilot test of the draft questionnaire, it was found that rural children had difficulties in ranking the information sources according to their perceived usefulness and credibility. As a result, the finalized questionnaire used a four-point Likert scale in measuring perceived usefulness and credibility of information sources for new products. A national market research institute in China was selected to coordinate the data collection. For children in grades 1 to 3, the researchers read out the questions as well as the answers, and asked the children to select the most appropriate answers on their own. Children in grades 4 to 6 were asked to fill in the questionnaires by themselves. All aspects of the research procedure were conducted in Chinese (Mandarin). All questionnaires were usable and the response rate was 100 percent.

Measures

Household ownership of media. Children were asked if they owned eleven types of media such as TV and children's newspapers in their homes on a dichotomy level.

Shop visits and consumption. Children were asked if they had visited or consumed at different types of retail shops by the question "In the past year, have you ever been to the following shops (street vendors were not included) and bought things on your own?" There were a total of twelve types of retail shops (see Table 3). Children chose from three answers, "No", "Yes, visited the shop but did not buy things", and "Yes, visited the shop

and bought something”.

Perceived usefulness/credibility of new product information sources was measured by

having respondents rate the usefulness or credibility for product information of eleven

different sources (see Table 4) on a four-point scale (1 = Not helpful at all, 4 = Very helpful;

1= Not trustworthy at all, 4 = Very trustworthy). Respondents could choose ‘Don’t know’.

Findings

Household ownership was high for TV (75%) and children’s books (71%), medium for cassette player (46%), VCD player (45%) and radio (43%), and low for children’s magazines (30%), electronic game player (27%), video cassette recorder (20%), children’s newspapers (9%), DVD player (8%) and computer (6%).

Figure 1 show the popularity of different types of stores among rural Chinese children. The three most popular retail shops among rural children were clothing stores, bookstores/stationery stores and supermarkets. The percentages of children who had visited these shops in the past year were 77 percent, 75 percent and 56 percent respectively. These visits did not have to be in their town. The visits could include those shops in another city, for example, on vacation or to visit their families or relatives in another place. It is also possible that the child had only visited a store once, but developed a great affection for it. The least popular shops were cyber cafes, computer stores, and electronic games centers. Only 7 percent, 9 percent and 16 percent children had visited these three types of shops

respectively in the past year. This suggests that rural children generally are not familiar with shops selling new media products such as VCDs or DVDs. Results indicated that even when rural children visited retail shops, they seldom made independent purchases. In all twelve types of shops, the percentage of children who bought things on their own was less than 30 percent in the past year. One exception was bookstores/stationery stores.

Pearson's chi-square test was used to investigate whether the pattern of children's shop visits and consumption depended on demographic variables. The most important demographic affecting the shop visits and consumption was age. Ten out of twelve shops showed significant differences. Older children were more likely to have visited and to have purchased in different kinds of retail shops than younger children. Starting from the age of 10, there was a marked increase in store visits as well as independent purchases. Taking the three most popular stores as examples, the percentages of children age 10-11 who visited and consumed at these shops were double that of the percentages for the 8-9-year-olds (bookstores: 52% vs. 23%, supermarkets: 33% vs. 14%, department stores: 22% vs. 11%).

Gender differences were not as important as age differences with five out of twelve chi-square tests being significant for boys. The three types of shops with largest chi-square values were electronic games centers, cyber cafés and sports store. Also, since only children are mainly boys, they also were shown to be frequent patrons of electronic games centers and cyber cafes. When the gender variable was controlled, however, being a single

child made no significant difference in store visits.

[FIGURE 1 ABOUT HERE]

Table 3 shows the perceived usefulness and perceived credibility of various information sources regarding new products. One-way ANOVA analysis indicated that perceived usefulness among the eleven information sources was significantly different (F value = 85.7, $p < 0.001$). Post-hoc pair-wise test showed that children ranked teachers as the most useful information source, followed by parents. Friends ranked third and television ranked fourth in perceived usefulness. Among the four personal sources, grandparents were perceived to be the least useful. A majority of rural children checked the answer, “Don’t know,” for the Internet, suggesting that they are not familiar enough with this medium to evaluate its usefulness. By using paired sample t -test, personal sources were perceived to be more useful than commercial sources ($t = 27.9$, $p < 0.001$). As a result, H1 was supported.

Children ranked teachers as the most credible information source followed by parents. Street ads were perceived to be least credible. Again, personal sources were perceived to be more credible than commercial sources ($t = 38.0$, $p < 0.001$). As a result, H2 was supported.

[TABLE THREE ABOUT HERE]

Table 4 shows the perceived usefulness of various information sources for new products by age group. Perceived usefulness of personal sources decreased with age, while

perceived usefulness of commercial sources increased with age. Older children found parents and grandparents less useful in providing information about new products than younger children. As a result, H3 is supported. Perceived usefulness of peers in providing information about new products did not differ with age group. As a result, H4 is rejected.

[TABLE 4 ABOUT HERE]

Table 5 shows the perceived credibility of various information sources for new products by age group. Perceived credibility of personal sources decreased with age, while perceived credibility of commercial sources increased with age. Older children did not perceive commercial sources less credible than younger children. As a result, H5 is rejected. Tukey pair-wise tests between age groups suggested that there was a sharp change in perceived usefulness and credibility at around age nine. Children age five to nine shared similar perceptions while children age nine to thirteen shared similar perceptions. All the sources had significant and positive Pearson correlation values between perceived usefulness and perceived credibility, ranging from 0.39 (n=959, $p < 0.001$) for television to 0.68 for the Internet (n=250, $p < 0.001$). This suggests that children evaluate perceived usefulness and credibility on the same dimension, forming an attitude toward the specific information source.

Discussion and Conclusions

The study reported here represents a first attempt at ascertaining the extent of

Rural China

consumer behavior of youth in rural China. It specifically gauged the extent of marketplace interaction by 1,008 Chinese children ages 5-13 in four rural areas. The results, in general, were what might be expected of young consumers in remote parts of China where modern marketing practices that are common to urban China are just now appearing. It shows that shopping experience among the young children is somewhat uncommon compared to children in urban China. Probably much of this is due to the very small income of rural children living in households whose incomes are generally limited. Urban Chinese children, on the other hand, are reported to have substantial money to spend and much influence on what parents spend (McNeal and Yeh, 2003). We did find that shopping experience increased significantly among older children, apparently those that have some knowledge of products and some money to spend on them (as compared to the younger children). Bookstores/stationery stores are the only type of retail outlets that most rural children have visited and made purchases for themselves. This finding supports those of others showing the extreme importance of education that Chinese parents pass on to their children long before they enter school (Baker, 1987). Such a finding is in stark contrast to the consumer behavior patterns of western children who are not emotionally involved in school items except maybe those that are conspicuous such as backpacks and notebooks (McNeal, 1999). Although Chinese retailing tends not to mix unrelated products, those stores that sell school items may want to consider expanding their total sales by also

Rural China

offering snacks and beverages such as is done in many bookstores in the United States.

Other marketers of foods, clothing, and play items may want to make a deal with

bookstores and stationery stores to advertise in them, for example on bulletin boards such

as is done in Western schools. Our study showed that rural children did not indicate an

affinity for eating-out and visiting food stores. They were not familiar with places selling

media goods, as a majority of them had never visited such stores. While new marketing

practices such as branding and advertising are now common in urban China, the current

study indicates that such marketing efforts have not yet penetrated rural China. It also

reveals that retail activities, in general, are not robust in rural areas where seventy percent

of China's population resides. Thus, this current study suggests that rural China represents

huge untapped market potential for marketers and retailers.

The study underlines the importance to rural children of interpersonal information

sources (parents and teachers) showing them to be significantly more useful and more

credible than commercial sources to the children. The result echoes earlier research that

traditional Chinese families rely heavily on word of mouth to learn about new products and

much less on mass media (Yau, 1994). Results suggest that rural children rely heavily on

authority figures for consumption information. However, the reliance dropped among the

older children in the sample similar to findings among urban children (McNeal and Ji,

1999). While urban Chinese children generally have changed to rely on commercial

Rural China

sources to obtain new product information, their rural counterparts still rely heavily on interpersonal sources for new product information. This shows that in the rural society the families still retain a lot of their traditional function of providing education and information. One surprising result was the perceived importance of teachers in the provision of new product information. A previous survey of urban children indicated that they seldom consult schoolteachers about the truthfulness of television commercials (Chan and McNeal, 2003). As materialistic values are discouraged in schools (Chan and McNeal, 2003) and apparently there is no consumer education in the schools' curriculum in China, we are interested to find out what types of new product information are communicated through teachers. In a later separate study among seven rural children in Chengdu, we were told that very often teachers informed them about new products related to their study including new extra-curricular books, copybooks, and dictionaries. In any case, there is a reverence for the school teacher shown here and a suggestion to marketers that they may wish to attempt marketing efforts in schools where permitted as they do in the west in order to capitalize on the credibility of the school environment.

Although most of the children we surveyed had access to mass media sources, they did not find them useful or credible in introducing new products and services. This is probably because TV programming and advertising seldom portray lives in the rural society. A case study of a children's popular TV cartoon program in China indicated that most of

the featured consumption experiences were in the urban context (Xia et al., forthcoming).

Similar to research literature regarding Western children, the current study found that Chinese children's age has a substantial effect on their perception about usefulness and credibility of new product information sources. As predicted in John's (1999) model, older children became less satisfied with parents and grandparents, with the largest drop in perceived usefulness and credibility among grandparents. This is probably due to the incapability of grandparents to catch up with updated consumer trends. We speculate that older children, compared to the younger, are more likely to see the differences in consumption values between themselves and their older generations and therefore consider parents and grandparents less credible. Further research is needed to prove or disprove this. Contrary to what is predicted in John's (1999) model, older children did not find peers to be more important or more credible sources of new product information. This may suggest that older rural Chinese children are subjected to informative peer pressure to the same level as younger children. The result that older children perceived commercial sources more useful and more credible deviates from John's (1999) consumer socialization. Our data indicate that older children have more shopping experience than younger children. Perhaps the more frequent chance of consumption motivates them to process information. If older children did not find parents or grandparents helpful in satisfying their information needs, they are more likely to turn to commercial sources. Contrary to previous finding that

older urban children are more skeptical about television advertising (---, forthcoming),

older rural children are less skeptical about commercial sources than younger children.

Further research is needed to explore the reason.

Rural children, the younger generation of rural residents, are likely to have a higher education than their parents. They have experienced more mass media than their parents. In the near future, they have the potential to act as reverse socializing agents that teach their parents and grandparents about consumer knowledge and skills.

To conclude, teachers were perceived to be most useful information source among the rural children, followed by parents, and friends. Teachers were perceived to be most credible, followed by parents and grandparents. As television was not perceived as the most useful nor credible source, marketing to rural children may consider adopting a two-step flow approach. They should first attempt to influence the opinion leaders, i.e. parents and schoolteachers, and encourage the influence to be passed on to the children through personal communication. John's (1999) model of consumer socialization was partially supported for the prediction of children's perception of usefulness and credibility of new product information sources. As predicted by the model, older children found parents and grandparents less useful and credible than younger children. However, the importance of peers was the same among older and younger children. Contrary to the model, older rural Chinese children found commercial sources more useful and credible than younger rural

Rural China

children.

(4,720 words)

References

- Anderson, K., Huang, J., & Ianchovichina, E. (2002) *Impact of China's WTO Accession on Rural-Urban Income Inequality*. (Working Paper). Centre for Chinese Agricultural Policy, Chinese Academy of Sciences, Beijing, China.
- Baker, R. (1987) 'Little Emperors Born of a One-child Policy', *Far Eastern Economic Review*, July, 43-44.
- Batra, Rajeev (1997) 'Marketing Issues and Challenges in Transitional Economies', *Journal of International Marketing*, 5(4), 95-114.
- Bearden, W. O., Teal, J. E., & Wright, R. R. (1979) 'Family Income Effects on Measurement of Children's Attitudes toward Television Commercials', *Journal of Consumer Research*, 6, December, 308-311.
- Bond, M. H. (1991) *Beyond Chinese Face: Insights from Psychology*. Hong Kong: Oxford University Press.
- Bu, W. (2001) *The Influence of Mass Media on Children (Da zhong chuan mei dui er tong de ying xiang)*. Beijing: Xinhua Publishing House. (In Chinese).
- Channel NewsAsia (2004) 'Shanghai backs off from one-child policy', retrieved on April 14 from <http://web.lexis-nexis.com.hk>
- China Village and Town Enterprise Newspaper. (1999) 'Current Analysis of China's Rural Marketing and Sales Agency.' June 25. (in Chinese)
- Economic Daily. (1999) 'Strategies to Open the China Rural Market.' May 18. (in Chinese)
- Global News Wire (2003) 'Chinese Deputies Seek Ways to Kick-start Rural Economy', March 10, downloaded from <http://web.lexis-nexis.com.hk>
- John, D. R. (1999) 'Consumer Socialization of Children: A Retrospective Look at Twenty-five Years of Research', *Journal of Consumer Research*, 26, December, 183-213.
- Lu, J. & Peng, A. (2000) 'Evolution of Rural Consumption Pattern in China', *Consumer Interests Annual*, 46, 68-72.
- McLeod, J., Fitzpatrick, M., Glynn, C., & Fallis, S. (1982) 'Television and Social Relations: Family Influences and Consequences for Interpersonal Behavior, in K. Pearl (Ed.), *Television and Behaviour: Ten Years of Scientific Progress and Implications for the Eighties* (pp. 272-286). Rockville, MD: US Department of Health and Human Services.
- McNeal, J. U. (1987) *Children as Consumers: Insights and Implications*. Lexington, MA: Lexington Books.
- McNeal, J. U. (1999) *The Kids Market: Myths and Realities*. Ithaca, NY: Paramount Market Publishers.

- McNeal, J. U., & Ji, M. F. (1999) 'Chinese Children as Consumers: An Analysis of their New Product Information Sources', *Journal of Consumer Marketing*, 16(4), 345-364.
- McNeal, J. U., & Yeh, C. H. (1997) 'Development of Consumer Behaviour Patterns among Chinese Children', *Journal of Consumer Marketing*, 14(1), 45-59.
- McNeal, J. U., & Yeh, C. H. (2003) 'Consumer Behavior of Chinese children: 1995-2002', *Journal of Consumer Marketing*, 20(6), 542-554.
- Moore, R., & Stephens, L. (1975) 'Some Communication and Demographic Determinants of Adolescent Consumer Learning', *Journal of Consumer Research*, 2, September, 80-92.
- Moschis, G., & Churchill, G. A., Jr. (1978) 'Consumer Socialization: A Theoretical and Empirical Analysis', *Journal of Marketing Research*, 15, November, 599-609.
- Moschis, G. P. (1987) *Consumer Socialization: A Life-cycle Perspective*. Lexington, MA: Lexington Books.
- Moschis, G. P. and Moore, R. L. (1979) 'Decision Making Among the Young: A Socialization Perspective,' *Journal of Consumer Research*, 6, September, 101-112.
- Moschis, G. P., & Moore, R. L. (1982) 'A Longitudinal Study of Television Advertising Effects', *Journal of Consumer Research*, 9, 279-286.
- Piaget, J. (1970) 'The Stages of the Intellectual Development of the Child', in P. H. Mussen, J. J. Conger & J. Kagan (Eds.), *Readings in Child Development and Personality* (pp. 291-298). New York: Harper and Row.
- Population Reference Bureau. (2003) Retrieved April 11, from <http://prb.org>
- Rogers, E. M. (1960) *Social Change in Rural Society*. New York: Appleton Century Crofts, Inc.
- Rogers, E. M. (1995) *Diffusion of Innovations*. 4th Eds. New York: Free Press
- Schmitt, Bernd (1999) 'Consumer Segmentation in China', in *Marketing Issues in Transitional Economies*, Rajeev Batra, ed. Boston: Kluwer Academic Publishers, 73-84.
- Selman, R. L. (1980) *The Growth of Interpersonal Understanding*. New York: Academic Press.
- Shim, S., Snyder, L., & Gehrt, K. C. (1995) 'Parents' Perception Regarding Children's Use of Clothing Evaluative Criteria: An Exploratory Study from the Consumer Socialization Process Perspective', in F. R. Kardes & M. Sujon (Eds.), *Advances in Consumer Research* (Vol. 22, pp. 628-632). Ann Arbor, MI: Association for Consumer Research.
- State Statistical Bureau. (2004) First half year registered growth of 12.8% in national consumer retail sales. Press release on July 19, downloaded from www.stats.gov.cn [In Chinese]

- State Statistical Bureau. (2003) *China Statistical Yearbook 2002*.
- State Statistical Bureau. (2002) *China Statistical Yearbook 2001*.
- State Statistical Bureau. (2001) *China Statistical Yearbook 2000*.
- Stephens, L. F. and Moore, R. L. (1975) 'Price Accuracy As A Consumer Skill', *Journal of Advertising Research*, 15, August, 27-34.
- Ward, S. (1974) 'Consumer Socialization', *Journal of Consumer Research*, 1, September, 1-14.
- Ward, S., Wackman, D. B., & Wartella, E. (1977). *How Children Learn to Buy: The Development of Consumer Information Processing Skills*. Beverly Hills, CA: Sage Publications.
- Xia, W., Chan K. & Chan F. (forthcoming). 'Consumer Behavior Reflected in a Chinese TV Cartoon Series: The Big Head Son and the Small Head Dad', *Journalism and Mass Communication Research*. [In Chinese]
- Yang, C. K. (1959) *The Chinese Family in the Communist Revolution*. Cambridge, MA: MIT Press.
- Yau, O. (1988) 'Chinese Cultural Values: Their Dimensions and Marketing Implications', *European Journal of Marketing*, 22(5), 44-57.
- Yau, O. (1994) *Consumer Behaviour in China: Consumer Satisfaction and Cultural Values*. New York, NY: Routledge.
- Zhang, L. & Yang, X. (1992) 'China's Population Policy', *Beijing Review*, 35, April 13-19, 17.
- (2004) 'Chinese Children's Attitudes Toward Television Advertising: Trust and Liking', *International Journal of Advertising*, forthcoming.

Rural China

Table 1 Possession of consumer durables among rural and urban households in 2001

Items per 100 households	Rural	Urban
Color TV	54	121
TV	105	Not available
Washing machine	30	92
Refrigerator	14	82
VCD	Not available	43
Camera	3	40
Air-conditioner	2	36
Mobile phone	8	34
AV (audio system)	9	24
Video tape recorder	3	20
Motorcycle	25	20
Computer	Not available	13

Sources: China Statistical Yearbook 2002

Table 2 Characteristics of rural population

1. Family:

- Family goals are more important than individual goals
- More father-centered
- Family size larger* and retained more family functions like offering protection, educating, recreation and religion
- Lower divorce rate because rural families look with disfavor upon divorce
- More aged family members in rural and people are more willing to support aged people
- More likely to consider family as an economic unit of production rather than unit of consumption

2. Groups relationship:

- Primary groups like neighbors, families and children's play group are more common
- Neighbors as more important informal group
- Perceive relatives and kinship groups more important than to urban people

3. Values:

- Place lower value on higher education
- Rural people strongly favor abstinence
- Place higher value on larger family because children are seen as economic asset*
- Place higher value of personal freedom, less favorable toward government intervention

Source: Rogers (1960)

* Given the one-child policy, these characteristics may not be applicable to China.

Table 3 Perceived usefulness and perceived credibility of various sources for new product information

Source	Perceived usefulness				Perceived credibility			
	Number of non missing cases*	Mean	S. D.	Ranking from post hoc test	Number of non missing cases*	Mean	S. D.	Ranking from post hoc test
Personal sources	1008	2.7	0.6		1004	2.9	0.6	
Teachers	1008	3.0	0.9	1	993	3.2	0.7	1
Parents	1008	2.9	0.9	2	997	3.1	0.8	2
Friends/Classmates	1007	2.6	0.8	3	955	2.8	0.9	3
Grandparents	985	2.3	0.9	5	991	2.5	0.8	4
Commercial sources	1002	2.0	0.6		990	2.0	0.6	
Televisions	987	2.4	1.0	4	973	2.2	0.9	5
Newspapers	857	2.1	0.9	6	843	2.2	0.9	5
Shops	895	1.9	0.9	7	808	2.0	0.8	6
Radios	838	1.8	0.8	8	876	1.9	0.8	6
Magazines	773	1.8	0.8	9	734	1.9	0.8	7
Street Ads	809	1.7	0.8	9	795	1.8	0.7	8
Internet	284	1.8	1.0	#	293	2.1	1.0	#

Internet was excluded because of its small number of valid responses.

* cases answering “don’t know” were dropped in the compilation of the mean

Table 4 Perceived usefulness of various information sources for new product information by age group

Source	Age group				F value
	5-7 a	8-9 b	10-11 c	12-13 d	
Personal sources	2.8 ^d	2.9 ^{cd}	2.7 ^{bd}	2.5 ^{abc}	24.7***
Teachers	3.0	3.2 ^d	3.0 ^a	2.8 ^b	7.5***
Parents	3.0 ^d	3.1 ^{cd}	2.8 ^{bd}	2.6 ^{abc}	20.3***
Grandparents	2.6 ^{cd}	2.7 ^{cd}	2.2 ^{abd}	1.9 ^{abc}	33.7***
Friends/classmates	2.6	2.7	2.5	2.6	1.6
Commercial sources	1.6 ^{cd}	1.7 ^{cd}	2.1 ^{ab}	2.1 ^{ab}	48.8***
Television	2.0 ^{cd}	2.1 ^{cd}	2.6 ^{ab}	2.6 ^{ab}	27.3***
Newspapers	1.5 ^{bcd}	1.9 ^{acd}	2.3 ^{ab}	2.2 ^{ab}	23.7***
Radio	1.5 ^{cd}	1.6 ^{cd}	2.0 ^{ab}	1.9 ^{ab}	11.8***
Shops	1.7 ^{cd}	1.6 ^{cd}	2.0 ^{ab}	2.2 ^{ab}	24.8***
Magazines	1.3 ^{cd}	1.6 ^{cd}	2.0 ^{ab}	1.9 ^{ab}	19.2***
Street ads	1.5 ^{cd}	1.5 ^{cd}	1.8 ^{ab}	1.9 ^{ab}	15.1***
Internet	1.8	1.7	1.9	1.8	0.6

Note: subscripts indicate differences between groups using Tukey HSD paired comparisons, $p < 0.05$

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

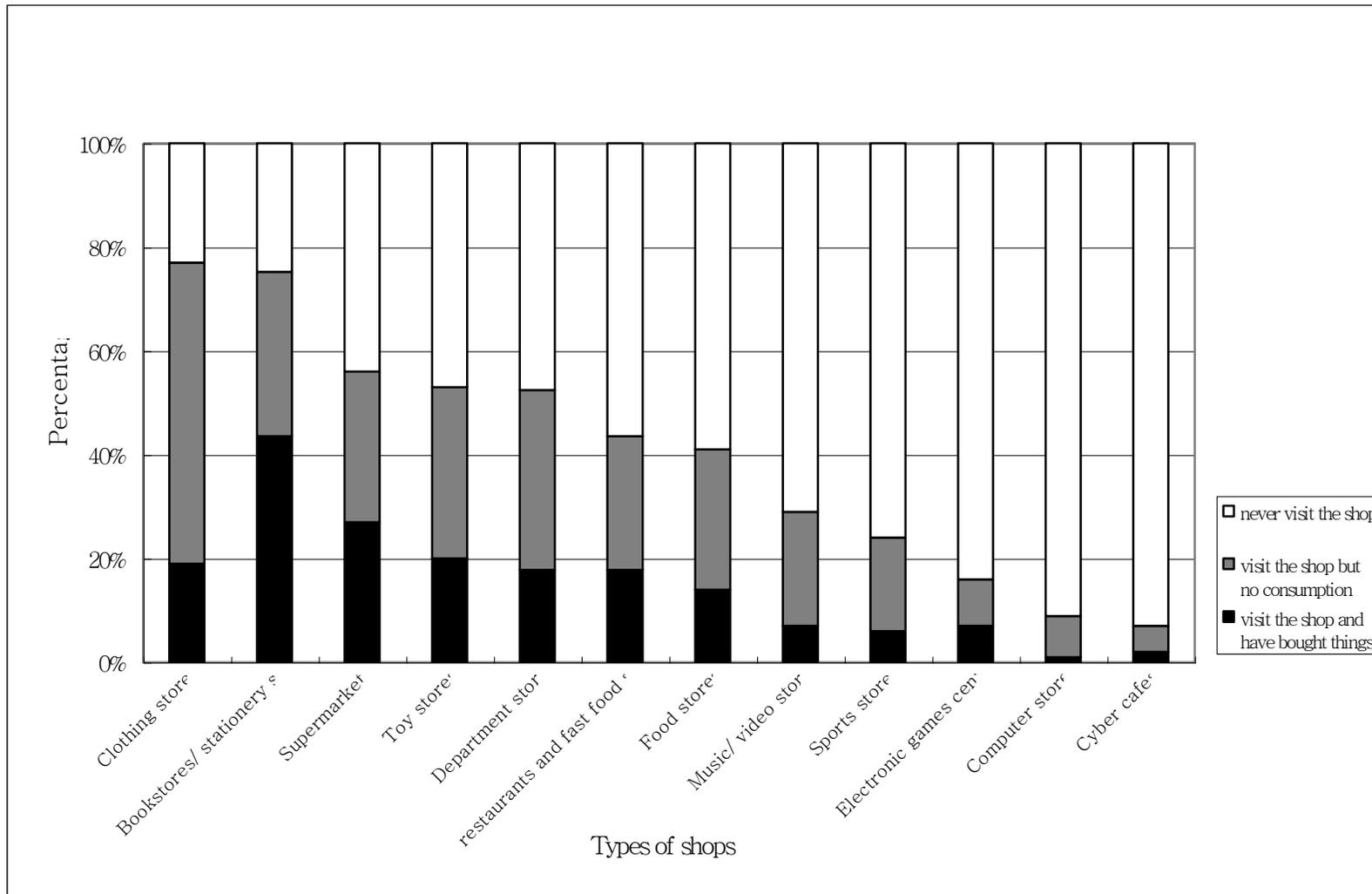
Table 5 Perceived credibility of various information sources for new product information by age group

Source	Age group				F value
	5-7 a	8-9 b	10-11 c	12-13 d	
Personal sources	3.0 ^{cd}	3.1 ^{cd}	2.9 ^{ab}	2.7 ^{ab}	17.3***
Teachers	3.3	3.3 ^d	3.2	3.1 ^b	4.5**
Parents	3.2 ^d	3.3 ^{cd}	3.1 ^{bd}	2.9 ^{abc}	9.7***
Grandparents	3.0 ^{cd}	3.0 ^{cd}	2.8 ^{abd}	2.5 ^{abc}	24.8***
Friends/Classmates	2.6	2.6 ^c	2.4 ^b	2.5	4.0**
Commercial sources	1.7 ^{cd}	1.8 ^{cd}	2.1 ^{ab}	2.1 ^{ab}	19.6***
Televisions	2.0	2.0 ^{cd}	2.3 ^b	2.3 ^b	8.6***
Newspapers	1.9 ^c	2.0 ^c	2.3 ^{ab}	2.1	5.9**
Radios	1.7 ^{cd}	1.9 ^{cd}	2.2 ^{ab}	2.1 ^{ab}	10.8***
Shops	1.7 ^{cd}	1.8 ^{cd}	2.1 ^{ab}	2.1 ^{ab}	10.1***
Magazines	1.6 ^{cd}	1.8 ^{cd}	2.0 ^{ab}	2.0 ^{ab}	6.8***
Street Ads	1.6 ^{cd}	1.7	1.9 ^a	1.8 ^a	4.5**
Internet	2.1	2.0	2.1	2.1	0.4

Note: subscripts indicate differences between groups using Tukey HSD paired comparisons, $p < 0.05$

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

Figure 1: Shop visits and consumption in the past 12 months



Biographies

Dr Kara Chan is Associate Professor at the Department of Communication Studies, Hong Kong Baptist University. She worked in the advertising and public relations profession and as a statistician for the Hong Kong Government before she joined the university. She is author of over 15 articles on advertising and consumer behaviour in Hong Kong and China. She is a Fulbright Scholar at Bradley University, Illinois for 1999 to 2000. She is the co-author of the book 'Advertising to children in China' (Chinese University Press, 2004).

Prof. James U. McNeal is Visiting Professor at Guanghua School of Management, Peking University, China where he teaches a course in children consumer behaviour. He has studied children's consumer behaviour for over 35 years. He is author of over 50 articles on the subject, and four books: 'Children as Consumers: Insights and Implications' (Lexington, 1987); 'Kids as Customers: A Handbook of Marketing to Children' (Lexington, 1992); 'The Kids Market: Myths and Realities' (Paramount Market Publishers, 1999); and 'Advertising to children in China' (Chinese University Press, 2004). He is a consultant to a wide range of producers and retailers that target children and their families in the US and worldwide, and also advises a number of not-for-profit organizations that are interested in children.