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Table of Contents

A STUDY OF THE FACTORS AFFECTING TRUST TOWARDS ORGANIC FOOD IN CHINA

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ABSTRACT

This article is an exploratory attempt to determine whether trust towards organic food is impacted by the following variables among consumers in China: green orientation, health consciousness, consumer's self-image, online purchase behavior, and organic food safety concerns. Results support most of the research questions raised in the paper. It further points out the importance of giving clear information to consumers when it involves online purchase or the purchase of organic food.

INTRODUCTION

Growing in tandem with the middle class is the online purchasing habit in China. More and more Chinese are now very comfortable buying things online, including food items recently. Economic growth in China is not without it costs, however. Environmental concerns remain a main topic in every public speech made by high level government officials. The central government realizes the important of cleaning up the environment, as well as developing new policy towards a more "green" China. In fact, some of the efforts have shown results. For instance, the conservation efforts in Yunnan province recently received global recognition. This government push for "green China" has been echoed by ordinary citizens as well. More citizens of China are now eager to look for "green" products in their purchases. With the growing economic power, this new middle class of China sometimes is even willing to pay higher for a product if it is deemed "green". This trend is more profound among the younger Chinese.

Our current research aims at studying the impact of various factors on the trust of organic food. Specifically, we believe that the green orientation, health consciousness, self-image awareness, the popularity of online purchase and the concerns over organic food safety will impact the trust towards organic food as labeled by the manufacturers.

RESEARCH FOCUS

In our study, we believe that individual's green orientation, health consciousness, self-image/self-identify, online food purchase attitude, and organic food safety concerns will affect his/her trust level in organic food.

Research Question 1: Green orientation will affect trust level in organic food.

Research Question 2: Health consciousness will affect trust level in organic food.

Research Question 3: Self-image/self-identity will affect trust level in organic food.

Research Question 4: Online food purchase attitude will affect trust level in organic food.

Research Question 5: Organic food safety concerns will affect trust level in organic food.

Research Question 6: Socio-demographic factors, such education, age, gender, and income, will affect different attitudinal variables and trust level in organic food.

METHODOLOGY

Subjects

The subjects of our study were all from these cities and were users of major online portals in China. A total of 350 surveys were collected online. Out of the responses collected, 326 were usable, with a usable response rate of 93%.

The subjects were 51% male and 49% female with 44% in age group 18-24 and 41% in 25-35. They are mostly working individuals but relatively inexperienced with 52% having 1-3 years of work experience and 30% 4-8 years. In the sample, 68% of the respondents have college education, 80% have purchased food online, and 96% have online shopping experience. 70% of these respondents earned over $3,000 yuan (approximately U.S. 485 dollars) per month which is quite financially well off by Chinese living standards.

Research Variables

Green Orientation

Based on previous research (Li et al, 2008), we measured a variable called: Green Orientation.

We obtained a two-factor solution in the case of the green orientation items. We have labeled Factor 1 as "Buy Green Material/Product" and Factor 2 as "Energy/Resources Conservation". 57.28% of the variance was explained by these two factors.

Health Consciousness

In this study, health consciousness was measured by adapting mainly from the Health Self-Consciousness variable reported by Fenigstein et. al, 1975. The scale has a reliability index of 0.92. We have labeled Factor 1 as "Proactive Health" and Factor 2 as "Negative Health Behavior". 54.91% of the variance was explained by these two factors.

Self-Image

Self-image or self-identify was measured by a 6-item scale partly drawn from Pino et. al (2012) and Shaw and Shiu (2003). Factor Analysis provided a 1-factor solution and we labeled it "Self-Image.

Online Purchase

We measured the attitude towards Online Food Purchase with 5-items and Factor Analysis provided a 2-factor solution. We labeled Factor 1 as "Online Economic Benefits" and Factor 2 as "Online Food Safety and Freshness."

Organic Food Safety and Concerns

Based on the previous research (Daugbjerg et al.; 2014; Hoffman and Schicht, 2013; Muhammad et al., 2010; Suh et. al, 2012), we measured Organic Food Safety and Concerns with a 7-item scale. Factor Analysis provided a 2-factor solution and we labeled Factor 1 as "Organic Food Health Benefits" and Factor 2 as "Organic Food Affordability."

Trust

Based on previous studies (Daugbjerg et al.; 2014; Ek & Sonderholm, 2008; McEachern & Warnaby, 2008), we measured Trust using an 8-item scale. Factor Analysis provided a 2-factor solution and we labeled Factor 1 as "Third Party Influence - Trust" and Factor 2 as "First Hand Information Influence – Trust."

RESULTS

Our research questions examined the factors affecting trust level of organic food. Research Questions 1 to 5 held that trust level is affected by individual's green orientation, health consciousness, self-image, online food purchase attitude, and organic food safety concerns. The Regression results show 5 pairs of significant relationship between personal attitudinal variables and trust level influenced by third party. In the Chinese sample, individuals who have higher levels in Buy Green Products, Negative Health Behavior, Self-image, Online Economic Benefits, and Online Food Safety are found to have higher level of trust influenced by third party. Additionally, individuals who have higher levels in Organic Food Affordability, Self-image, and Online Food Safety are found to have higher level of trust influenced by first-hand information. The results provide some support for these five research questions.

Our last research question considered the possibility that people with different socio-demographic background might have different attitude towards green movement, organic food purchase and concerns, and trust of organic food. The ANOVA results have shown that subjects in different age groups and online shopping experience would have different perception towards online food safety and freshness. The result suggests that respondents who are older than 24 years and have more than three years of online shopping experience have lower levels of concerns towards online food safety comparing to those who are 18 to 24 and have less than three years of online shopping experience. The results further indicated that those with four or more years of working experience have higher level of organic food's health benefits and health consciousness.

Moreover, we found that subjects in different education and income groups would have different levels of negative health behavior. The results show that respondents with high school

education and make more than $6,000 yuan per month (high income group) have higher level of negative health behavior. The respondents in the high income group (more than $6,000 yuan per month) also have higher level of online economic benefits.

We have found that male and female subjects have different levels of individual green orientation, and perceptions about organic food's health benefits. As indicated by our significant ANOVA results, women show higher levels of individual green belief regarding energy conservation and perception about organic food's health benefits when compared to men.

The results strongly support the idea that individuals from different socio-demographic background have different perceptions in green orientation, organic food purchase and concerns, and trust in organic products.

CONCLUSIONS

It is also interesting to note that more and more consumers in China are interesting in organic food products thinking that they are safer to consumer. Our research helps to identify the variables that may affect the choice of validation mechanism of what constitutes organic food. We found that for consumers with higher propensity to buy green products, less negative health behaviors, higher self-image, believe that buying online brings higher economic benefits, and believe buying online food gives higher food safety are more likely to be influenced by third party certification when it comes to organic food. On the other hand, consumers who can better afford organic food, higher self-image, believe in organic food being safe tend to rely more on first-hand information gathered by themselves. It is also interesting to report that the socio-demographic background will also affect the attitude towards organic food and online purchase.

This research is exploratory in nature since it only includes four main cities in China. These four cities are considered economically well-endowed in China. It will be interesting to see whether the same conclusion can be drawn in less developed cities in China. It is, therefore, necessary to extend this research, in the future, to cover consumers who are more inclined to purchase via more traditional channels.

CUSTOMER SERVICE & HOFSTEDE'S CULTURAL DIMENSIONS IN CHINA, IRELAND MEXICO, & THE USA

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ABSTRACT

When it comes to the big five personalities, the main differences are Mexico not being very open where in the US, openness is very prevalent. Extraversion would be a common difference too. In the US, extraversion is encouraged - it is not so much campaigned in Mexico. With regards to Hofstede's six dimensions model, the US is not very open to uncertainty, in contrast Mexicans typically rely on God or life itself taking care of things. Also, masculinity tends to be held more highly in Mexico. Mexican women are often expected to take domestic roles, and not dual career and domestic roles as in the US.

INTRODUCTION

According to Hofstede's Six Dimensional Model Mexican culture the main differences between American and Mexican culture are power distance, individualism, uncertainty avoidance, and indulgence.(Geert-hofstede.com) Power distance is much more important in Mexican culture, and may serve to motivate the people with no power to deliver better customer service in order to please their supervisors. I think there is a good correlation between the high group orientation of Mexican culture, and the fact that the aspects of customer service that Mexico is best at are providing services to meet the customer's needs, and recognizing the customer as a person who deserves personalized service. While the ease of doing business, finding out information, and guarantee of value may be rather dubious, they make the customer feel deserved. Mexico ranked higher than five other countries in the human aspects of customer service. The United States by contrast does better than Mexico and 4 other countries in ease of business, but fails to impress in the other aspects of standing out or exceeding customer service. (AmericanExpress.com) This emphasis on the person in Mexican culture could also be attributable to the BIG Five personality trait of agreeableness.(Images.flatworldknowledge.com) Mexican culture puts great emphasis on getting along (in accordance with group orientation) and warmth, which correlates strongly with the human aspects of customer service. This could be partially attributable to the fact that individualism is highly valued in American culture and no individual is better than the other. Mexican culture is also significantly more indulgent than American culture, and could contribute to giving customers a positive experience through indulging the customer's demands rather than refusing them. Mexico and the U.S. are very similar as far as masculinity and long term orientation are concerned.(Geert-hofstede.com) American culture is also more conscientious

regarding policy than Mexican culture, which could contribute to the lack of creative solutions and warmth in American customer service.(Geert-hofstede.com). Extraversion is high in both cultures, as well as openness. (Images.flatworldknowledge.com). Americans are likely also to be more neurotic, which could lead to conflict with difficult customers, or at least less focused positive performance due to repetition of negativity in dealing with problems.

Analyzing the different between China and Mexico using Hofstede's 6D Model includes looking at all 6 categories and how employees and management of both countries handle certain topics. Power distance and masculinity were two things that China and Mexico were very similar in. Power distance in both of these countries were very high which relates to higher management being revered and not questioned. This translates into a corrupted upper management system. Mexico scored higher than China in relations to individualism that can be reflected in both workforces itself. China is extremely focused on long-term orientation while Mexico focuses on indulgences. Overall, Mexico is modeled as a country that enjoys the finer things in life while keeping great power distance. China is a country that focuses on long-term goals and tend to have a workforce that respects a large power distance and celebrates non-individualism. By using the Big Five Personality Traits, Mexico is definitely more prone to be open to experiences and extraversion while China tends to be more agreeable, conscientiousness and more stress. This reflects into the Mexican workforce with a more vibrant workforce that places value on break while the Chinese workforce is less individualized and works together very monotonously. With these two analysis, customer service in Mexico tends to be less reliable with more emphasis on personal relationships. With a high power distance, Mexico is also able to run efficient customer service centers that could be better able to serve customers looking for more of a relationship. China on the other hand produces highly efficient customer service that is backed by an uniform system and a management system to watch over the employees.

Mexico and Ireland are both seen as countries that have a culture that is more relaxed and easygoing. When you think of these 2 countries and their cultural traits, a few similarities would immediately pop up. On Hofstede's 6D model, both countries are nearly identical when it comes to Masculinity (high) and Long Term Orientation (low), both country's societies believe that past successes and triumphs are very important, that the societies are highly competitive as well as that it is more important to stick close to traditions and older beliefs as opposed to the unknown. Although, these societies see eye to eye in these dimensions, they are very far apart when it comes to Power Distance, Individualism, and Uncertainty Avoidance. Both of the societies are on opposite sides for these dimensions, which is what makes the two seem so different when actually researched. When it comes to the Big 5 personality traits, these two countries have a very similar outlook to each other. They both are very well known for their extraversion, both societies have those outward, assertive personalities that other people look for.

Hofstede's 6D model indicates a correlation between American and Mexican workers in terms of the influence that cultural and personality difference can have on customer service in regards to masculinity and long term orientation. Americans scored high (62) in masculinity, and low (26) in long term orientation. Likewise, Mexicans scored high (69) in masculinity and low(24) in long term orientation. Both countries seem to thrive on success and competition

while grasping to tradition. These two dimensions can be extrapolated to customer service in these countries to identify several Big Five personalities. As such, both societies' high score in masculinity suggests that each country has a high degree of competition which relates to (BFI) Conscientiousness. The personality trait of Conscientiousness requires an individual to desire success through achievement. In addition, both countries' low score in long term orientation points to their iron grasp for tradition. The low score in long term orientations suggest that these societies are not as (BFI) Open to experience. These societies are slow to adapt to change. Ideas for future research should take a look at the work of Carraher and colleagues (1991 to present).

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AN EMPIRICAL INVESTIGATION OF MOTIVATION PATTERNS AND LEARNING STYLES OF BUSINESS STUDENTS FROM INDIA: CONVERGENCE, DIVERGENCE OR CROSSVERGENCE?

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ABSTRACT

The Indian economy has undergone tremendous economic transformation and growth over the last two decades. It is home to the largest concentration of youth in the world under 25 years of age who are avid consumers of global brands and social media. In this increasingly compressed global world, what would the value systems of Indians (especially those 25 and younger) look like? Would the value systems reflect national culture (convergence)? Would they reject national culture and take on external values (divergence)? Or, would they be a fusion of domestic and imported values (crossvergence)?

The present study examines intrinsic and extrinsic motivation, control of beliefs, and self-efficacy of Indian business students. A modified version of the Motivated Strategies for Learning Questionnaire (MSLQ) was used in this study. The modification was done to measure students' perceptions of multiple courses taken during the course of their program of study. The 22 item MSLQ examined four factors: extrinsic motivation, intrinsic motivation, beliefs about learning, self-efficacy, and test anxiety using a 5-point Likert scale where 5=very true of me and 1=not at all true of me.

The surveys were administered in three Chennai based colleges. All students who completed the survey were business majors enrolled in either the undergraduate or graduate programs. A total of 462 useable surveys were collected. A quick summary of the sample profile showed revealed: 65% of the respondents were women, average age was 20 years, 62% were Hindu, 67% were undergraduates, 73% indicated their families as financially comfortable, and 91% were full-time students.

A cluster analysis revealed three clusters C1 (n=167), C2 (n=205), and C3 (n=90). C1 exhibited scores on intrinsic motivation, control belief, and self-efficacy that were oriented towards convergence. C2 and C3 were similar-their scores on intrinsic motivation, control belief, and self-efficacy reflect rejection while the overall score on extrinsic motivation favors convergence. These results suggest that Indian business students demonstrate crossvergence in their value patterns.

CUSTOMER SERVICE & HOFSTEDE'S CULTURAL DIMENSIONS IN INDIA, SOUTH KOREA, VIETNAM, & THE USA

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ABSTRACT

According to the Big Five Personality factors, customer service in America compared to Korea is vastly different. While in America we tend to be more open to new experiences, Korea is a lot more reserved in the way they associate themselves with others. Korean customer service is very outgoing and extroverted which is great for sales but they are also a lot more aggressive compared to their American counterparts. In Korea, workers will grab you as you walk by and drag you into their stores. While in America, that would be seen as alarming and offensive. As for conscientiousness, Koreans are very aware of their customers. So much so, that being followed and watched like a hawk when your shopping is a social norm there. While in America, sometimes you can't even find a salesperson in sight to help you. As far as neuroticism goes, I find both countries to be rather high in stress and low in tolerance. Now with Hofstede's 6D model, Korean's have a very high cultural power distance, masculinity and need for indulgence. As for their tolerance of uncertainty, they score rather low since Korean's have a very planned and goal oriented culture. They also score low in the category of individualism since as a culture, they believe more in the group or bigger overall outcome over personal gains. In America on the other hand, we also score high in power distance, masculinity and the need for indulgence but we also score high in individualism.

INTRODUCTION

When it comes to customer service in Asian countries, people tend to be a lot more long term oriented. So in comparison to America, Koreans try to extend the relationship between their company and its customers. Americans aren't very keen on carrying a long term relationship, which becomes obvious when you look at both the Hofstede model and the Big Five when it comes to national factors. When you talk about Individuality in the three countries, America comes in as the first. This shows that there is a psychological connection between not really caring about what the customers need or want, and just fulfilling your own personal needs. This also shows a good correlation with the concept of indulgence. Individualism and indulgence go hand in hand.

When I studied abroad in South Korea, there were key differences that I noticed with their customer service compared to the USA's. (Based on my observations, this is how I scaled them in the listed models...) (My scale: On a scale of 100, Low = 0 to 39; Medium = 40 to 69; High = 70 to 100. If there is a mixture between the two (ex. Low to Med), that means there is an uncertainty on my part.) Big Five Personality: Openness to Experience = USA - High; S.Korea - Low Conscientiousness = USA - Med; S. Korea - High Extraversion = USA - High; S. Korea - Low Agreeableness = USA - Med; S. Korea - Med to High Neuroticism = USA - Med; S. Korea - Low to Med Hofstede's 6D model: Uncertainty Avoidance = USA - Med; S. Korea - High Individualism = USA - High; S. Korea - Low Power Distance = USA - Low to Med; S. Korea - High Masculinity = USA - High; S. Korea - Med Long T. Orient. = USA - Med; S. Korea - High Indulgence = USA - Med to High; S. Korea - Low to Med *S. Korea = South Korea; Long T. Orient = Long Term Orientation; Med = Medium* Summary: USA = Customer service is more carefree, tries to bond with customers, less organized, more differences in customer services due to high individualism of each staff and more likely to show emotions (or even outburst of emotions) during conversations. S. Korea = Customer service does not accommodate when it comes to "changing the menu", by custom they show more respect/courtesy by bowing and by handing back your credit cards in a certain way, less likely to confront and as a whole tries to converge into a common public image that is acceptable by their society. *Keep in mind, this does not apply to every single individual. There will be a difference in beliefs and lifestyles, but on average for the whole population.* To check my observations, at least for Hofstede's 6D model, I went to http://geert-hofstede.com/. On a scale of 100, USA's Masculinity (62/100 = Med) and Long T.Orient. (26/100 = Low) were ranked lower than expected. For S. Korea, their Power Distance (60/100 = Med) and Indulgence (29/100 = Low) were ranked lower than expected.

Basing on the big Five Personality Factors, Hofstede's 6D model, there is a big gap between the U. S and Vietnam in terms of the influence that cultural and personality differences can have on customer service and it can explain why customer service in Vietnam is still ranked at a low level. In Vietnam, individual in society is not equal such that if someone does not a good connection, he is hard to find a good job. In contrast, if you have skill and good communication, you can find a good job in the U.S. Individual role has an important role in Vietnam and it can affects to evaluation of the group members; however, in the U.S, it is rarely when others evaluate group base on single member. In the U. S, the score of masculinity is high because every person in society has a severe competition to be successful while Vietnam has a low score of masculinity. Vietnamese have a habit that they do their job and just think about the present and do not care much about the future. Suggestions for future research are based on the works of Carraher and Colleagues (1991 to present).

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COLLABORATION IN INNOVATIVE NORWEGIAN BUSINESSES

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ABSTRACT

Innovation is vital to the success of businesses in a dynamic global business environment. Large businesses are typically more likely to engage in innovation, but small and medium-sized (SME) businesses often find the introduction of new products and processes to be the key to surviving and thriving. Creativity and innovation can lead to new organizational forms as well as new or improved products and processes.

While many companies look within their own organizations for ideas and information, collaboration can be very beneficial. Small businesses with limited resources may find it especially useful to work with partners. This 2012 study of innovative Norwegian businesses found that firms with more than 250 employees were about twice as likely to have collaborated with any partner in the past three years. Regardless of size, these businesses were slightly more likely to collaborate with European firms outside Norway than with companies in their own country.

INTRODUCTION

The dramatic drop in oil prices has had a particular influence on the economy in Norway, an oil-rich country which earns approximately half of its export review from oil (Milne, 2015; Mohsin, 2015). More than 20,000 jobs in the oil industry have been eliminated. The value of the Norwegian krone has decreased significantly. Oil is becoming a smaller part of the overall economy. With these changes in the national economic landscape, entrepreneurship will become increasingly important to Norway's future. Self-employment and business start-ups have traditionally been relatively low in Norway. Risk-taking is less attractive in this culture than in some other cultures. However, the general welfare system and socialized medicine provide a safety net not found in many other countries (OECD, 2014, p. 79). Others contend that Norwegian workers are more likely than other workers to start new ventures, meaning the economic problems related to the oil industry may lead to a surge in business start-ups (Roed & Skogstrom, 2010; OECD, 2014). For those who prefer to work for others, growth among new and established firms is positive for employment opportunities.

Innovation is often said to be a social process that benefits from different perspectives and resources (Australian Institute for Commercialisation, 2011; Charan & Lafley, 2008; Edwards, Delbridge & Munday, 2005; Eisingerich, Bell & Tracey, 2010: OECD, 2010; Raposo, Ferreira & Fernandes, 2014; West, 2009). This study examines the types of partners used by small, medium-sized and large businesses in Norway. The following section provides a brief background on cooperation in innovation. The methodology and results of this study are then presented.

INNOVATION AND COOPERATION

Innovation among existing and newly established businesses can be the key to business success as new products are offered to new customers in new markets (Australian Institute for Commercialisation, 2011; Charan & Lafley, 2008; Clegg, 2012; Kuratko, Goldsby & Hornsby, 2012; Proctor, 2014). Change is a central theme in innovation as developments in goods and services lead to new offerings that provide value to the customer as well as new knowledge to the company (O'Sullivan & Dooley, 2009). Such developments do not need to be radical in order to count as innovation. Incremental changes, radical innovation and major changes resulting from disruptive innovation all fit within the category (Kuratko et al., 2012). These changes are often combined as gradual incremental changes often follow a large-scale radical or disruptive change.

Large businesses would seem to have more to gain from innovation, given higher production levels, economies of scale and greater resources that can be devoted to innovation (Eurostat, 2009: Millard, 2011). Firms with 250 or more employees have more people who can contribute ideas, if they allowed to participate in the innovation process. SMEs can, however, take advantages of new opportunities and use their flexibility to carry out more rapid innovation, making some small businesses major players in the game of innovation (Ehrenberger, Koudelkova & Strielkowski, 2015, Iturrioz, Aragon & Narvaiza, 2015; Maula, Keil & Salmenkaita, 2006; Nieto & Santamaria, 2010). Previous research (Robinson & Stubberud, 2012) has shown that large companies are more likely than small firms to begin innovation projects, but they are no more likely than small businesses to see projects through to completion. This may be due to larger number of projects being started by large firms, while small firms may take on less risky activities that are more likely to develop into successful products and processes.

Small businesses would seem to be good candidates for cooperation with other firms (Katila, Rosenberger & Eisinhardt, 2008). By pooling resources and sharing knowledge, SMEs may be able to make up for some of the liabilities of smallness and newness, gain wider markets, access additional resources and compete better with large firms (Baum, Calabrese & Silverman, 2000; Gulati & Higgins, 2003; Khaire, 2010; Lee, Park, Yoon & Park, 2010; Mohnnak, 2007; Nieto & Santamaria, 2010; Pollock & Gulati, 2007; Skalholt & Thune, 2014). Cooperative relationships can provide support and ideas as well as additional physical resources for innovation (Australian Institute for Commercialisation, 2011; Charan & Lafley, 2008; Edwards et al., 2005; Eisingerich, Bell & Tracey, 2010; OECD, 2010; Powell, Koput & Smith-Doerrr, 1996; Raposo, Ferreira & Fernandes, 2014; West, 2009). Small firms are thought to have the best chances for survival and growth when they develop relationships with other firms for sharing, collaboration and support.

Others (Pahnke, McDonald, Wang & Hallen, 2015; Dushnitsky & Shaver, 2009) contend that relationships can be detrimental if indirect relationships with the partners of collaborators lead to information leaks that erode competitive advantages. Therefore, "not all relationships are beneficial" (Pahnke, et al., p. 1355). Every firm has its own goals and naturally looks out for its own interests (Edelman, 2014; Pahnke, et al., 2015). The choice of whether to collaborate and with which partners is more complicated than it may first appear for small businesses and a long-term view of cooperation is therefore necessary for long-term success (Iturrioz, et al., 2015).

This study examines the partners with whom innovative Norwegian companies cooperate. Special attention is paid to the comparison of small, medium-sized and large

businesses in services and manufacturing as well as overall businesses with innovation in their core activities. The results are presented in the following section.

METHODOLOGY, RESULTS AND ANALYSIS

This study uses data from the Eurostat 2012 Community Innovation Survey, focusing on firms that stated they had engaged in innovation activities during the 2010-2012 time period (Eurostat, 2016). Many types of activities are included in the definition of innovation activities, from developing new products to creating new processes. Projects could be implemented, underway or abandoned. Success was not a determining factor. Firms with fewer than 10 employees were not included. There were approximately twice as many small businesses (10-49 employees) as medium-sized firms (50-249 employees), and around seven times as small businesses as large (250 or more employees) firms included in the study.

Norway is a relatively small country with an estimated population of just over 5,200,000 in July 2015 (Central Intelligence Agency, 2016), having hit the 5 million mark in March, 2012 (News in English, 2012). Although it not a member of the European Union, it has friendly relations with European countries. Table 1 shows the number of innovative businesses in the Community Innovation Survey who cooperated with any partner on any innovation project during the three years prior to the survey. The data include the location of the partner, from Norway (domestic), the EU (current members and those who will be joining in the near future), the United States and China.

The data show that 28.1% of total firms stated they had cooperated with a partner during the time of the study. Almost all of these (27.8%) collaborated with an international partner within Europe and nearly as many (26.0%) had a domestic partner. Therefore, it appears that a minority of overall firms collaborated with other firms, but those that practice cooperation did so with multiple partners both within and outside Norway. The United States (6.1%) and China (2.5%) were less popular sources of partners. This is not surprising given the greater distance between the countries and more significant differences in cultures and economies.

Table 1 **NATIONAL AND INTERNATIONAL PARTNERS AMONG FIRMS WITH INNOVATION IN THEIR CORE ACTIVITIES**				
Location of Partner	Total	10-49 employees	50-249 employees	250 or more employees
Any partner	786 (28.1%)	441 (22.9%)	240 (35.2%)	105 (55.9%)
Within Norway (domestic)	728 (26.0%)	412 (21.4%)	219 (32.1%)	97 (51.6%)
EU member countries (currently or near future)	778 (27.8%)	439 (22.8%)	237 (34.8%)	102 (54.3%)
United States	170 (6.1%)	84 (4.4%)	52 (7.6%)	34 (18.1%)
China	70 (2.5%)	26 (1.4%)	28 (4.1%)	16 (8.5%)

A comparison of the proportion of small, medium-sized and large businesses that collaborate with partners in these geographic areas shows that small business were less likely than their medium-sized and large counterparts to collaborate. Although small businesses were the least likely to cooperate with partners in each region, the differences in proportions were greater between medium-sized and large businesses than between small and medium-sized businesses. For example, the differences between small and medium-sized businesses for any partner, domestic, and European partners were approximately 11-12% (low 20s for small and

low to mid 30s for medium-sized businesses) but the differences between medium-sized and large businesses were around 20%. Large business were more than twice as likely to work with partners in the United States (18.1% compared to 7.6%) and China (8.5% compared to 4.1%).

The patterns of partnerships were fairly similar across business size. SMEs and large businesses alike were slightly more likely to have international European partners than domestic Norwegian partners. More than half of large businesses (54.3%) had European partners or Norwegian partners (51.6%). These proportions dropped to around one-third for medium-sized firms, and just over one-fifth for small firms.

ANALYSIS AND CONCLUSIONS

Small businesses in Norway outnumber medium-size and large business, just as they do in most countries. They are, however, limited in other ways, as they were generally the least likely to collaborate with other firms on innovative projects. Large businesses were about twice as likely to have cooperated with a partner. This study included only firms that reported some type of innovative activities during the three years before the survey was conducted. It stands to reason that firms that were not involved in innovation would be even less likely to cooperate with other companies.

The nature of the direct relationships a firm forms, as well as the indirect relationships that are created when partners collaborate with additional partners that are potential competitors, are important for businesses to consider. In Norway, SMEs were less likely than large businesses to collaborate with almost all of the cooperative partners included in this study. This may be a matter of practicality if partners believe they have little to gain from working with smaller firms. It may also be a lack of desire to collaborate on the part of the SMEs if they consider the risks to outweigh the potential rewards of collaboration. Large businesses with more power may be less prone to having partners take advantage of them. On the other hand, it is possible that large businesses grew to significant size due to their willingness to work with others on innovative projects that lead to growth and development.

Norwegian businesses that collaborate for innovation are willing to look beyond their own borders. In fact, a comparison of the proportions for any partner, within Norway and with EU member countries suggests that Norwegian firms are more likely to collaborate with foreign firms than with domestic firms. Over half of the large firms included in this study claimed they partner with Norwegian and international European partners. Such partnerships for innovation are likely to become even more important in the future as the global economy becomes more integrated and as Norway searches for industries that are not based on the sale of petroleum.

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A STUDY ON CULTURE CODE ANALYSIS FOR RICE AND RELATED PROCESSED PRODUCTS MARKETING - FOCUSING ON CHINESE AND JAPANESE MARKET -

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ABSTRACT

This study analyzes the culture code of food, imprinted in consumer mind, to establish marketing strategies in East Asian food markets. We study culture code with a focus on rice, the staple food and related processed products targeting China and Japan, the biggest markets among East Asian regions. By analyzing literature review, interviews and surveys, it is found that consumers from both countries have different culture code for rice and related processed products. In the case of Japan, culture code related to rice and processed rice products can be found 'health' and 'obligation' as unique sub-culture code for rice with culture code of 'perfectness' for general food. In the case of China, 'pleasure' is found as culture code for food and this pleasure is found to be composed of 'pleasure of being together', 'pleasure of getting healthy', 'pleasure of food itself such as taste, color and aroma, etc.' The discovery of these codes present that it is necessary to show the characteristics of indicating 'perfectness' in promotion or packaging for effective marketing of rice and related processed products and it is also necessary to approach processed rice products with the staple food than snacks due to the code of 'health and obligation' in Japan. It is also presented that when developing products, taste, color and aroma with a healthy image should be considered at the same time and it is appropriate to develop product packaging focusing on for family rather than for individual in China.

INTRODUCTION

Culture has a significant impact on marketing activities. Examining exactly, there is discriminatory consumer awareness of products affected by culture between culture and corporate marketing activities. Understanding and usage of this consumer awareness greatly affects marketing success or failure.

However, there have been only a few studies on the culture code analysis in the food sector, one of the products which are the most closely associated with culture (IM 2014). Thus, this study is to present the culture code analysis to establish an efficient food marketing strategy targeting rice and related processed goods, the most consumed foods in East Asia. It is also to present the marketing strategies and implications appropriate for derived culture code.

THEORETICAL BACKGROUND

Rapaille(2006) defined culture code as "A set of images that are associated with a particular set of stereotypes in our minds. This is sort of cultural unconscious, which is hidden even from our own understanding, but is also seen in our actions." A culture code is created by an imprinted emotion felt for certain products when young and is maintained during the lifetime.

Reviewing previous studies, research on culture code has been made in so many sectors. In the food sector, however, only a few studies have been carried out. Reviewing previous studies, consumers' overall culture code for food is fuel which is a mere tool in the U.S. and culture code for food is connected to the purpose of art or life in France. These culture codes vary according to cultural areas affect the consumption behavior of consumers in each cultural area. For example, average lunch time in the U.S. is 6 minutes and French people say two-hour lunch time is not enough. Americans try to finish eating as soon as possible because instrumental action itself to fill fuel does not exert a great value in life and meal time is longer because people enjoy food in France. Also, it is argued that it is common to express 'I am full' after eating in the U.S. while it is universal to express 'it was delicious' after eating in France. Culture code affects consumers' behavior a lot, so understanding culture code is important to marketers especially who want to do marketing to the consumers who live in different culture areas.

METHODS

In order to study food-related culture code in Japan and China, this study performs basic research through the existing literature research and expert interviews and analyze culture codes on rice and processed rice products through consumer interviews and then, verify qualitative research results through the survey. Consumer Interviews are carried out targeting ten consumers from Japan and China, respectively and consumer survey is conducted targeting 200 Japanese and 245 Chinese. But, the study is conducted only for Shanghai living on rice in case of Chinese.

RESULTS

Culture code of rice and processed rice products in China

Reviewing previous studies on Chinese food, it is found that Chinese use food as a tool to share joy (Lee, 2012;Kim & Rue, 2003;Kim, 1998).

There are several detailed pleasure in food. Introducing the Chinese proverb 'it is better to improve the health by taking food rather than improving it by taking medicine', Kim & Rue(2003) argue food is closely related to health. Kim(1998) insisted that Chinese enjoy being together with many people itself while eating. In addition, other studies report that Chinese has the feature of emphasizing not only taste but also color and flavor of food (Lee, 2012; Kim, 1998). The consumer interview results are also found to be similar to those of existing literature.

"I prefer to order 3~4 dishes in the restaurant. I cannot do it by myself but can do it together. It is more delicious when eating together." - A Chinese housewife (30s, female).

"You can see the concept of Chinese good food in the pork jerky brand called 'BEE CHENG HANG'. BEE means that the shape and color of food should be beautiful. CHENG means good taste and health and HANG means the smell of food. Food with all these three is the best." - A Chinese food marketing expert (40s, male)

Previous studies and interview contents are summarized and as a result, 'pleasure' is presented as a culture code for Chinese food and 'pleasure of being together', 'pleasure of getting healthy', 'pleasure of experiencing food itself such as taste, color and aroma, etc.' are found to be included as factors that make up the pleasure. We try to find special recognition for

rice with culture code of the overall food but it is found that Chinese has no special imprinting for rice, the staple food.

"In elementary school, I learned that both rice and wheat are carbohydrates. Both play a role of just filling the stomach. I don't think rice is better" - A Chinese college student (20s, male)

Culture code of rice and processed rice products in Japan

Rapaille(2006) argues that Japan has the code of 'perfectness' for food. Companies use this consumers' culture code for rice in marketing activities. For example, a Japanese Yichiwa grilled rice cake store which has improved for a thousand years across 28 generations to make better grilled rice cake or emphasizing the perfection by putting the phrase of using first-class rice are the marketing activities with an emphasis on perfection.

We also find through experts and consumer interviews that there are another culture codes of 'health and obligation' with 'perfectness' for rice related products.

"Meals were provided in the child care center and side dishes were served but rice was not served in food service so I had to bring rice from home." - A Japanese college student (20s, female).

"When young, I have been always taught about triangle meals (two side dishes and one rice). Even now, I eat rice considering nutritional balance because there is a lot of protein in rice." - A Japanese housewife (30s, female)

"When young, I ate rice for breakfast, lunch and dinner always" - A Japanese office worker (40s, male).

In Japan, people have been encouraging to eat rice out of obligation through school feeding etc. since young so rice was found to be imprinted as one 'obligation' to keep the 'health' so rice is shown in the aspects of 'obligation of health' as well as 'perfectness'.

Results of Survey for Verification

The above literature review and interview results can be summarized as in the following table 1.

Table 1 CULTURE CODE FACTORS FOR RICE AND PROCESSED RICE PRODUCTS					
Country	Perfectness	Obligation	Health	Being Together	Enjoying Taste, Color and Aroma of Food
Japan	○	○	○	-	-
China	-	-	○	○	○

The results of a survey of surveying each item with a 7-point scale are shown as in the table 2 below

Item	Regional Consumers' Intention		ANOVA Results		Consistency with the results of the literature review and interview
	China (N=245)	Japan (N=200)	F	p-value	
(Perfectness) Rice is more perfect food than wheat	3.82	5.20	121.35	.00	Consistent
(Obligation) It is natural to eat rice everyday	5.48	5.39	.52	.47	Inconsistent
(Health) Rice is food necessary for health	4.48	4.57	.43	.51	Consistent
(Being together) It is important to eat with family	4.86	4.29	15.06	.00	Consistent
(Taste, color, aroma) Buy good rice although expensive	5.24	4.70	21.22	.00	Consistent

Table 2
SURVEY RESULTS OF CULTURE CODE FACTORS FOR RICE AND PROCESSED RICE PRODUCTS

According to the survey results, the awareness differences in rice and processed rice products of Japanese and Chinese (Shanghai) are found to be similar to most documents and interview results. Japanese people respond that rice is more perfect food and awareness of helping health is found to be similar in China and Japan. Awareness of being together and pleasure of taste are found to be relatively higher in China. But, the part for 'obligation' is not different in China and Japan. This can be estimated to be results shown by conducting a survey with a focus on Shanghai where rice is the staple food.

DISCUSSION

The significance of this study is to analyze culture code for food that can be used in marketing strategies as a way to present the more efficient marketing strategy for food. Marketing strategies through culture code found in this study can be presented as follows:

First, in the case of Japan, inserting a phrase to express 'perfectness' into packaging when constructing rice related products seems to be able to give confidence to consumers. Second, in the case of Japan, if developing rice related products, it is appropriate to develop rice related products around food that can be the staple food rather than snacks by considering culture code of 'obligation of health'. Third, in the case of China, it is necessary to develop products that can consider all the shapes, colors, flavor simply than taste when developing rice-related products. Also, when considering the pleasure of being together etc., it is better to develop products for family than for individual and it will be important to find the part that may be helpful to health and find a way to use it in promotion by considering culture code associated with health.

The implications of this study are as follows: First, this study finds Japanese and Chinese culture code for food, especially rice related products. Second, it may be possible to successfully develop products and establish marketing strategies in Japan and China by using rice related culture code identified in this study. Third, it is found that sometimes there may be different culture code depending on products not on categories. These findings provide implications that it is necessary to think about to which level, categories or products, culture code should be extracted when analyzing culture code in the future.

For more efficient food marketing in the future, it is necessary to study culture code targeting more food categories and comparing culture code for food between the East and the West will be also an interesting research topic.

ENDNOTES

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