Abstract

Due to the increasing number of people immigrating to new cultures, it is important to understand the influences on immigrants’ purchase decisions in a new environment. Immigrant consumers’ purchase behaviours are different from the majority because of cultural differences. More specifically, this research investigates differences between Chinese immigrants’ and Canadian consumers' locus of control and service locus of control orientation in the Canadian marketplace. It also examines the role that acculturation plays among Chinese immigrants regarding locus of control beliefs. Results from the survey suggest that Chinese consumers have generally higher levels of internal consumer and service locus of control orientations, and belief in luck compared with their Canadian counterparts, while the difference of the belief in powerful others was insignificant. The relationship between acculturation and immigrants’ locus of control beliefs was unclear as acculturation is a gradual and slow process and most of the Chinese respondents were newly arrived.
Acknowledgements

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<tbody>
<tr>
<td>AAMAS</td>
<td>(Asian American Multidimensional Acculturation Scale)</td>
</tr>
<tr>
<td>AAMAS-AA</td>
<td>(Asian American Multidimensional Acculturation Scale-Asian American)</td>
</tr>
<tr>
<td>AAMAS-CO</td>
<td>(Asian American Multidimensional Acculturation Scale-Country of Origin)</td>
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<tr>
<td>AAMAS-EA</td>
<td>(Asian American Multidimensional Acculturation Scale-European American)</td>
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<tr>
<td>CLOC</td>
<td>(Consumer Locus of Control Scale)</td>
</tr>
<tr>
<td>I-E</td>
<td>(Internal-External Locus of Control Scale)</td>
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<td>I-P-C</td>
<td>(Internal-Powerful Others-Chance Locus of Control Scale)</td>
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<td>LOC</td>
<td>(Locus of Control)</td>
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<td>SLOC</td>
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1. Introduction

Understanding the challenges that face immigrants coming from collective societies (Asia) into individualistic ones (North America) has been a popular topic in cross culture research (Applbaum and Jordt, 1996; Hair and Anderson, 1972; Hulin-Salkin, 1987; Lee and Tse, 1994; Ownbey and Horridge, 1997; Tang and Dion, 1999; Ward and Kennedy, 1993b). When studying cross cultural differences on an individual level, previous research on consumer behaviour has investigated the lifestyles of new immigrants (Doran, 1994; Jun, Ball, and Gentry, 1993; Kang and Kim, 1998; Lee and Tse, 1994; Penaloza, 1994; Ying and Liese, 1994), their information search (Cole and Balasubramanian, 1993; Darley and Johnson, 1993; Srinivasan and Tikoo, 1992), purchase behaviours (Kacen and Lee, 2002; Nebenzahl, Jaffe, and Kavak, 2001; Ownbey and Horridge, 1997; Solomon, 2002; Webster, 1994), and post-purchase behaviours (Curren and Folkes, 1987; Folkes, 1984; Schuster, Forsterlung, and Weiner, 1989).

Chinese is one of the largest groups of recent immigrants into North America. According to the Canadian Census in 2001, Chinese consisted of 11.7% of the total immigrant population (Statistics Canada, 2001). In America, Chinese immigrants are growing as well, consisting of 4.9% of the total foreign-born population in 2000 (U.S. Census Bureau, 2000). Due to the increasing number of Chinese immigrating into North America, many studies have pointed out the importance of cross-cultural consumer research (Abe-Kim, Okazaki, and Goto, 2001; Applbaum and Jordt, 1996; Berry, 1980;
International marketing researchers and practitioners have acknowledged the increasing need for cross-cultural understanding of consumer behaviour. Moreover, researchers need to conduct insightful research to explicate the phenomenon.

From a managerial perspective, many organizations have recognized that their business success depends on utilizing opportunities to meet the needs of subculture groups (Briley, Morris, and Simonson, 2000; Hair and Anderson, 1972; Hulin-Salkin, 1987; Kacen and Lee, 2002; Lau-Gesk, 2003; Lee and Tse, 1994; Lowe and Corkindale, 1998; McCort and Malhotra, 1993; Ownbey and Horridge, 1997; Penaloza, 1989, 1994; Webster, 1994). Marketers should have a better understanding of how intra-national cultures influence consumer behaviour within the minority communities in order to reach their target markets more effectively, especially for those new immigrant consumers. This makes cross-cultural consumer research valuable to the academic and business fields.

Current research on immigrants’ purchase decision has focused on behaviours (Kacen and Lee, 2002; Ownbey and Horridge, 1997; Schuster, Forsterlung, and Weiner, 1989; Webster, 1994). However, very little research on consumption behaviours of immigrants has been done on personality and socialization. A useful theory from social psychology
that has been employed to explicate cross-cultural difference in lifestyles is Locus of Control (Aronson, Wilson, and Akert, 1999; Chandler, Shama, Wolf, and Planchard, 1981; Lao, 1977; Lee and Dengerink, 1992; Schuster, Forsterlung, and Weiner, 1989). Locus of Control (LOC) was introduced by Rotter (1966) and originated as a part of Social Learning Theory. It is a personality construct that refers to individuals’ perception of the locus of events as determined internally by their own behaviour or externally by fate, luck, other people or external circumstances. Levenson (1974) later proposed an extension of the locus of control theory by separating two sub-types of external locus of control: control by chance and control by powerful others. People who believe the world is not in order (controlling by chance) will think and behave differently than those who believe the world is in order but under the control of powerful others (Ashby, Kottman, and Draper, 2002; Levenson, 1974).

Researchers and marketers may be interested in investigating cross-cultural differences in locus of control beliefs and whether cultural factors influence individuals’ behaviour in various consumption settings. It is believed that Asians will display an external locus of control orientation because of their collectivistic background while North Americans will display an internal locus of control orientation because of their individualistic background (Chandler et al. 1981; Chia, Cheng, and Chuang, 1998; Hui and Traindis, 1986; Lao, 1977; Lee and Dengerink, 1992; Schuster, Forsterlung, and Weiner, 1989). As consumers with different locus of control beliefs will think and behave differently in the
market, a cross-cultural study in consumer behaviour will help marketers to formulate appropriate marketing strategies (e.g. how to advertise and promote their product to specific ethnic groups of customers, how to provide satisfactory post-purchase service) to their target markets.

The forces behind the acculturation process and its effect on people who immigrate to a new country have become increasingly popular in scholarly literature (Hair and Anderson, 1972; Hulin-Salkin, 1987; Jun, Ball, and Gentry; 1993; Lee and Tse, 1994; Ownbey and Horridge, 1997; Penaloza, 1989, 1994; Tsai, Ying, and Lee, 2000; Webster, 1994). Different acculturation levels of immigrant consumers may influence how they behave and react in the new culture, especially in the consumption setting. Although previous research has investigated the differences between acculturation levels of immigrants and their consumption of goods, there is no research that examines the effect that locus of control plays in the purchase decision process of immigrant consumers. Further, service marketing has received increasingly more attention in the last decade due to increased international competition, economic slowdown, and fierce product differentiation among competitors for “mature” products (Fornell, 1992; Storbacka, Strandvik, and Gronroos, 1994). However, very little research has discussed the cross-cultural differences in consumer perceptions and behaviours in the service encounter. There have been numerous calls for research to examine more the fully cross-cultural differences in the service industry (Bradley and Sparks, 2002; Johnson and Mathews,
1997; Surprenant and Solomon, 1987).

Although previous research has found support for cultural differences, only a few studies discuss whether or not the differences are due to cultural effects or other possible variables. Further, most of the existing literature was written in the 1980s and early 1990s. To date, no major studies are evident in the literature that explores how consumers from different cultures will behave differently in the purchase decision process. This study will be an effort to integrate what has been done in previous literature and expand on it by examining the effect of locus of control in the purchase decision process from the perspective of intra-national differences (new Chinese consumers in Canada vs. Canadian consumers).

Hence, the primary purpose of this research is: (1) to review the literature on the differing cultural influences of Chinese and Canadians, (2) to investigate differences between Chinese immigrants and Canadians’ consumer locus of control orientation, (3) to examine differences between Chinese immigrants and Canadians’ service locus of control orientation, and (4) to investigate the role that acculturation plays among new Chinese immigrants with regarding to locus of control orientation.
2. Literature Review

2.1. Immigrants’ Purchase Behaviour

Understanding ethnic consumers in an increasingly multicultural marketplace is of growing importance as the number of ethnic consumers increases. In the case of Canada, Asian consumers are one of the largest minority markets and one of the fastest growing today (Ministry of Multiculturalism, 2005). Asians consisted of 7% (nearly 2 million) of the Canadian population in 2001 and are expected to consist of 12% (around 3.6 million) of the population by 2017 (Ministry of Multiculturalism, 2005). More specifically, Chinese are the largest group of Asians represented in Canada (over 1 million in 2001 and projected to be 1.8 million in 2017). In the present study, an investigation into the perceptions of consuming goods and services among Chinese immigrant consumers in contrast to Canadian consumers will be conducted.

By investigating consumers’ purchasing behaviours, marketers may have a better idea regarding different consumer habits and understand what they can do and how it can be done better in order to satisfy customers’ needs (Bergadaa, Faure, and Perrien, 1995). Understanding new immigrants’ consumption behaviour in particular would be useful because of the multi-cultural societies and the enlarging minority markets in both Canada and the U.S. Generally, consumers will pass through several stages when purchasing products and services (Berkowitz, et al., 2003; Sommers, Barnes, and Stanton, 1995): (1) Pre-purchase behaviours including problem recognition, information search, and
evaluation of alternatives; (2) Purchase decision, and (3) Post-purchase behaviour. In
order to investigate immigrants’ consumption behaviours compared with those of the
majority consumers (long term residents) in Canada as a whole, this study will be an
attempt to explore the influences that one’s native culture plays in the consumption
setting when purchasing goods and services. To date, there is little research that explores
how immigrant consumers (more specifically, Chinese immigrants) differ from
consumers in a host country in the purchase decision process (Doran, 1994; Lee and Tse,
1994). A discussion of Chinese immigrants’ purchase behaviour will be presented.

Presently, there are few studies on how people change their consumption because of their
cultural contacts. During the initial period of immigration into the new society, because
of the financial difficulties for Chinese immigrants in finding suitable and stable
employment, they may immediately acquire necessities and defer purchasing less
important products (D’Rozario and Choudhury, 2000). Many immigrants have to
reprioritize their consumption habits to match their financial capabilities. This
reprioritization “forces” newcomers to acquire the necessities and essential products first
and delay buying the secondary and luxury goods. Moreover, because of the changes in
the environment, immigrant consumers tend to acquire products essential to Canadian life
more readily and abandon some consumption habits that are characteristic of Chinese
communities (Hulin-Salkin, 1987; Lau-Gesk, 2003).
This type of consumption change can be defined as consumer acculturation, the process that illustrates how people as consumers from one culture interact with and are influenced by another culture (Wallendorf and Reilly, 1983; Penaloza, 1989, 1994). The increasing amount of literature on acculturation suggests that immigrant consumers may change their consumption behaviours in many ways (Doran, 1994; Kang, and Kim, 1998; Lee and Tse, 1994; Ownbey and Horridge, 1997; Penaloza, 1989, 1994). For example, immigrant consumers may assimilate to the norms of the majority culture, adapt to the majority norms selectively, or in the contrast, reject the majority norms and retain their original consumption habits.

Penaloza (1989) conducted an ethnographic study in order to determine the factors that influenced the acculturation of immigrant consumers (Mexican immigrants in America) and discussed their consumer acculturation process. Her study involved field observations and interviews with Mexican immigrants (23 individuals from 14 households). In the paper, Penaloza (1989) discussed how immigrants learned consumer skills, knowledge, and behaviours that were appropriate and generally accepted in their new country. Their knowledge in the market was very limited since most of the products they purchased in their home country were no longer available in the new environment. Also, due to the language barriers, immigrants suffered from insufficient levels of information in English advertising and thus, a lack of evaluation of the varieties and qualities of products and services resulted. Newcomers who are faced with new roles in
the new culture will be motivated to learn the basic consumption-related attitudes, knowledge, and skills to function as consumers in that host culture (Kang and Kim, 1998).

Lee and Tse (1994) discussed the media consumption among Hong Kong immigrants to Canada. They conducted surveys with four groups of respondents: English-speaking Caucasian Canadians, new Hong Kong immigrants (less than 7-years immigration), long-time Hong Kong immigrants (over 7-years immigration), and Hong Kong residents. Their findings suggested that initially immigrants did not change the amount of media consumption after their migration, even when there was a great need for information in the host country. They still followed their original media habits in their home country. At first, immigrants’ lack of English language skills attracts them to consume ethnic media. Later (after seven years of immigration), they tend to consume more of the host country media than ethnic media. Although their media consumption habits changed gradually, the change was much slower than what the authors had predicted.

As immigrants are new to the environment with limited information and knowledge about the market and products, they spend more time learning how to live under the norms of the host country. They initially depend on information from the mass media (especially ethnic media) in order to adapt to the new environment and to be familiar with the new market. Lee and Tse (1994) concluded that learning from mass media could influence the
process and outcome of acculturation of new immigrants. Their findings verified that the host media exposure was significantly and positively related to acculturation. It also contributed to the behavioural and psychological changes (e.g. locus of control on consumptions) of immigrant consumers in the new culture (Ellis, McCullough, Wallendorf, and Tan, 1985; Hair and Anderson, 1972; Lee and Tse, 1994; Penaloza, 1989, 1994).

Doran (1994) used in-depth interviews to illustrate the decision making process for Chinese consumers in Montreal, Quebec. She indicated that Chinese consumers would pass through two stages in their decision making process for buying electronic appliances: (1) a general search for developing familiarity with the products offered and the common price ranges, and (2) an intense short-term search for making the purchase decision and buying the products. The first stage was prior to savings as Chinese immigrants valued thrift very highly and rarely used debt to finance their purchases. The second stage was done when consumers were ready and able to buy the products they wanted. The findings indicated that Chinese consumers rely more on personal sources (friends, family and in-group members) to make their purchase decisions in their information search because of the high level of trust involved in personal relationships. For external sources, such as Consumer Reports (neutral), advertising and sales representatives (marketer-dominated), Chinese would only use them for the search of product price and availability. Doran (1994) concluded that reference groups had a huge
impact on Chinese immigrants’ information search and product choice outcomes.

In general, in-group values of prudence and thrift and the desire to make a better choice induce Chinese consumers to comparison shop before they purchase, even if the product is low involvement (Chia, Cheng, and Chuang, 1998; Hulin-Salkin, 1987; Tai and Tam, 1997; Wang, Chan, and Chen, 2001; Yao, 1988). As immigrants are the “strangers” in the new market with limited knowledge and experience, they depend on reputable brands, which are well known within their in-groups, and word-of-mouth communication among family and in-group members. They tend to buy brand-name products, make their purchases in brand-name stores, and follow the shopping habits and behaviours from their in-group members (Doran, 1994; Kang and Kim, 1998; Lee and Tse, 1994; Ownbey and Horridge, 1997; Penaloza, 1994). According to Ownbey and Horridge’s (1997) study, Asian-American consumers were generally the shopping opinion leaders within their in-group members. They were willing to provide shopping advice and suggestions for their in-group members.

For this study, Chinese immigrants’ consumption behaviours are the focus. A number of unique elements characterize these consumers. First, the differences between Chinese and Canadian cultures are substantial in that the influences of the cultural differences can be observed on individual consumption habits (Doran, 1994). Second, Chinese immigrants can choose to retain their original way of consumption or change to that of Canadian
style because there have been many developments in the Canadian marketplace (more specifically, in Vancouver and Toronto) that try to cater to the needs of this large group of immigrants. They include new shopping centres, advertising media, television channels and radio stations. According to Tan and McCullough’s (1985) study, Chinese immigrants with higher acculturation levels towards the new culture values were associated with a high reliance on product price and quality in their purchases, while those with lower acculturation levels were associated with strong positive product images. For example, lower-acculturated Chinese will generally choose the product model with the associated image first, and then try to find the best deal for that specific model. However, for higher-acculturated Chinese and Caucasian Canadians, they will first set a price threshold and then search for the best model within that given price (Doran, 1994).

Because of the recent immigration from Mainland China, Taiwan and Hong Kong in the last 15 years, Chinese communities have been expanding dramatically in Canada with the development of their own shopping centres, newspapers, television channels and radio stations. These allow Chinese immigrants to more closely maintain their original consumption habits while living in Canada. Even though immigrants have to adjust some of their consumption habits and learn new skills in the Canadian marketplace, they can still retain many of their original cultural consumption habits because of the presence of ethnic media and their in-group members. In order to better understand the differences in
the perceptions of Chinese and Canadian consumers in marketplace, the next topic to be discussed is how cross-cultural differences affect consumption behaviours within Chinese communities in Canada, compared with those of local Canadians.

2.2. Cross-Cultural Differences in Consumption

Studying cross-cultural differences stems from the idea that countries differ in the relationship between an individual and a wider community. Culture is a very complex construct because it incorporates language, social structure, politics, and familial relationships. It is defined as a set of socially acquired and socially transmitted behaviour patterns common to the members of a particular class, community, or population (Fairchild, 1970). In a widely accepted taxonomy developed by Hofstede (1980), culture could be described by four dimensions (individualistic/collectivistic, power distance, uncertainty avoidance, and masculinity).

In Fernandez, Carlson, Stepina, and Nicholson’s (1997) study, they reexamined the country classifications done by Hofstede 25 years ago. This revised classification included China, which was not in Hofstede’s (1980) original study. Fernandez et al. (1997) declared that China was a collectivistic society with large power distance (unequal power distribution in the society), strong uncertainty avoidance (unwillingness to take risks), and high in masculinity (sharp differentiation on sex roles in terms of position of power in organizations and families, and the singular, distinct values associated with
individual achievements).

In this study, the focus, using Hofstede’s conceptualization of culture, is on the dimension of individualism vs. collectivism. A discussion on the differences between individualistic and collectivistic cultures will be put forth and related to Canadian and Chinese cultures and their consumer behaviours respectively (Hofstede, 1980; Mead, 1998). Also, how consumers perceive luck/fate in consumption will be addressed.

According to Hofstede’s (1980) model, individualism emphasizes individual achievements and rights. People are expected to focus on satisfying their own needs. Individual decisions are placed over group decisions. Individualistic people have the right to have different opinions and thoughts compared with those of the majority. They are encouraged to be self-reliant, self-interested and independent. On the other hand, in a collectivistic culture, altruism is restricted to in-group members in their society. Group loyalty is valued at a high premium. Collectivistic people tend to integrate into strong and cohesive in-groups. They are encouraged to prioritize the importance to collective goals and emphasized sharing duties and obligations. Table 1 summarizes the major characteristics for two distinct social systems: individualism and collectivism.

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<tr>
<td>Responsible for self and immediate family</td>
<td>Extended family, loyalty, and protection</td>
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<td>----------------------------------------</td>
<td>----------------------------------------</td>
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<tr>
<td>Autonomy, variety, pleasure and individual financial security</td>
<td>Expertise, order, duty, security by the in-group</td>
</tr>
<tr>
<td>Identity based on individuals</td>
<td>Identity in the society</td>
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<td>Individual decisions</td>
<td>Group decisions</td>
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Based on Hofstede’s (1980, 1994, 1997) studies, Canadians are highly individualistic in their social values while Chinese are more collectivistic. In western societies, the implicit philosophy of individualism focuses on individuals and their own efforts. They tend to value idiocentric characteristics that are associated with a person’s distinct qualities (Hofstede, 1994; Zhang and Neelankavil, 1997). People are encouraged to be independent and to take personal responsibility. Moreover, people from individualistic cultures focus on their personal goals and perceive individuals as the principle unit of social structure. They emphasize “I” consciousness and the idea of an independent and self-reliant person (Hofstede, 1980; Zhang and Neelankavil, 1997). Leung and Bond (1984) found that American students focused on their own self-gain whereas Chinese students tended to sacrifice their self-gain to benefit in-group members in allocating a group reward.

The traditional cultures of Asian nations such as China, Japan, and South Korea are heavily influenced by Confucianism. This moral ideology is based on a solid social
hierarchy that promotes family and social loyalty over individualism called “Five Bonds” (ruler-subject, father-son, elder brother-younger brother, husband-wife, and friend-friend) (Hwang 2000). Four of the “Five Bonds” (except friend-friend) are promoted to define a hierarchical system towards powerful others. As “Five Bonds” have produced a stable government and dominated the culture in China for thousands of years, it is expected that the belief of powerful others is deeply rooted in Chinese communities. Indeed, Chinese people tend to believe and rely on powerful others in their daily lives.

Collectivism stresses harmony and connection with others. Bringing honour to the group is more strongly related to self-esteem than personal achievement and self-assertion (Markus and Kitayama, 1994). Collectivistic culture attends to the needs, desires and connections of all in-groups members, who are sharing a common fate. On the other hand, Confucianism does not treat individuals as separate entities. Instead, they are related with another in a reciprocal manner (Dien, 1999). People see themselves as parts of a larger self, the in-group (Chia, Cheng, and Chuang, 1998). As Confucianism focuses on the interdependence between self and others, Chinese believe that individualism is a selfish behaviour, which is to be overcome to attain human benevolence (i.e. Ren) (Hwang, 1999, 2000). In general, it could be concluded that Confucianism has contributed in the development of the collectivistic societies in Asia, especially in China. Moreover, in collectivistic cultures, individuals’ misbehaviour and failure are not only disgraceful for oneself, but also the family or even the entire extended family (Hui and
Triandis, 1986). One of the main characteristics in collectivism is the belief in the correspondence of a person’s own outcome with the outcomes of others. People tend to attribute their success and failure to luck, fate or other people in the same ethnic group because of the ideologies of collectivism and Confucianism. However, Canadians believe that they have the control in their daily lives. They are responsible for all their decisions and actions. They tend to make their own decisions with minimal opinions from others. Therefore, it could be concluded that Chinese weigh luck as a part of their success and failure more so than Canadians.

As the Western (Canadian) culture focuses on “I” consciousness and competitive behaviours and the Chinese culture emphasize harmony and balance, Chinese consumers are reluctant to pioneer. They are slower to accept new products and services than their Canadian counterparts because of their cultural values of prudence and risk-aversion (Wang, Chan, and Chen, 2001). At the stage of information search for purchases, Chinese have relied more on past experiences of their own or others (distributional information) to make decisions than Americans because Chinese culture shows a high respect for the past and their history (Moore, 1998).

In Chinese societies, hard-work and thrift are highly praised traditional virtues (Hwang, 1999, 2000). It would be shameful for Chinese not to try hard to gather information for evaluatings alternatives before making purchase decisions and then suffer from paying
more for a product than necessary. Therefore, Chinese consumers are very price-conscious and price is one of the main reasons to comparison shop before purchasing (Dodds, 1991). Chinese consumers with a collectivistic background, who view individuals are inherently connected, emphasize more on group affiliations (brand name, manufacturer, country of origin) of the products during their purchase decision (Hong and Yi, 1992; Tai, 1998; Wong and Ahuvia, 1998). Reputable brands and well-known companies are not only assurances of good quality, but also earn “face” for Chinese consumers. On the other hand, Canadian consumers, who have an individualistic background and view individuals as separate entities, focus more on product attributes (product functions and features) and less on the brands in their purchasing behaviour (Hong and Yi, 1992; Wong and Ahuvia, 1998).

Confucian influence on the Chinese consumption choice could be evident in their high motivation to comply (Hwang, 1999, 2000). Yao (1988) found that Chinese consumers would not deviate if their family or in-group members had established a product as the normative standard. Confucian doctrine of the “Mean” helped Chinese in guiding their choice in a conflict decision. It advised individuals to avoid extremes and keep to the ordinary in order to maintain balance all of the time (Hwang, 1999, 2000). Because of the cultural background of respecting authority and the seniors, Chinese consumers tend to rely more on word-of-mouth communication from in-group members for product information. In the contrast, Canadian consumers are more likely to “obey” their own
opinions and tastes and not as likely to conform to social pressure relative to Chinese consumers (Kashima et al., 1995). They believe in their own control in daily lives and their purchase decisions are controllable by their own hands.

The collectivistic cultures of China believe in fate more than individualistic cultures because of their social hierarchical system and the influence of Confucianism. Chinese consumers tend to attribute product or service failure to fate (Yao, 1988). As the outcomes have been already predetermined, Chinese would have lower expectations towards the purchased products and probably experience less cognitive dissonance. The desire to maintain social harmony in Confucianism and the norm of saving face in Chinese cultures discourages people from complaining about product failure. Complaining behaviour could be treated as the metaphor of making unwise decisions (Lowe and Corkindale, 1998; Slote and De Vos, 1998). Moreover, the principle of moderation raises the acceptance level for product failure among Chinese consumers and their threshold for taking action against undesirable business practices (Lowe and Corkindale, 1998). However, Canadian consumers understand well their consumer rights and privileges. They are more likely to engage in complaint behaviours against unsatisfactory services for exchange or refund than their Chinese counterparts. The individualistic vs. collectivistic construct has allowed researchers to link psychological phenomena to cultural dimensions and investigate cultural differences across societies (Chandler, Shama, Wolf, and Planchard, 1981; Hui and Triandis, 1986;
A related issue to be taken into account is how international migrations are affected by a society’s culture. Past research regarding immigration into new societies are replete with examples of the blending of the new cultures, products and lifestyles (Penaloza and Gilly, 1999; Wallendorf and Reilly, 1983). When considering the individual who immigrates to a new culture, the process of acculturation is the focus.

2.3. Acculturation

Acculturation is defined as the process of adapting and learning cultural characteristics, different from the ones with which people are originally coming from (Ownbey and Horridge, 1997). Berry (1980) distinguished acculturation into a population level and an individual level. At the population level, the cultural changes were in terms of social structure, economic base, and political organizations. However, at the individual level, the changes were in personal behaviour, identity, values, and attitudes. For the purpose of this study, acculturation on the individual level is the focus. In this study, consumer acculturation is defined as: the process of adoption and movement to the consumer cultural environment in one country by people from another country (Penaloza, 1989, 1994). It is a subset of acculturation, but more specific to the consumption process. Berry (1980) categorized three modes of acculturation of individuals who were adapting to a new culture: (1) assimilation, which occurred when people were not willing to maintain what they had been in terms of identity, language, and lifestyle and looked for
interaction with the new culture; (2) separation, which occurred when individuals were keeping and holding on to their original culture and trying to avoid any interaction with the new culture, and (3) integration, which occurred when individuals had strong interests in both keeping their original culture and interacting with the new one.

Based on Hair and Anderson’s (1972) study, acculturation was a continuum, with various levels of acculturation in each subculture. One of the extreme cases was the unacculturated group where the consumers’ heritage was the strongest force to influence behaviour. At the other end was the acculturated group where the consumers were fully acculturated to the host culture and adopted the consumer behaviour of the host country.

Interaction with the host culture would produce distinct impacts on cross-cultural adjustment, due to the receptiveness to foreigners in the host nations. Cultural adaptation in the society is a function of the level of cultural similarity or dissimilarity, individual acculturation strategies and activities, and the length of time staying in the new culture. Due to the geographical and cultural proximity, Americans and Europeans are more knowledgeable about Canadian culture than Asians (Ward and Kennedy, 1993a). Therefore, their adjustment process would be smoother than that of Asians. Previous research has discussed the consumer acculturation for Korean students and Hispanic residents in the U.S. (Jun, Ball, and Gentry, 1993; Penaloza, 1989, 1994; Webster, 1994). They proposed cultural identification and level of acculturation
(movement, translation, and adaptation processes) led to the incorporation of a new cultural identity, language, religion and social activities. Jun, Ball, and Gentry (1993) found that acculturation for immigrants was different from cultural identification and both were influenced by different factors, such as the psychological and physical resistance of the new culture, direct or indirect contact with the original culture, and the preference for residency (permanent or temporary). Their studies indicated that rural residents were more hesitant to abandon their original culture and to accept the new one than urban residents, who had more direct contact with the host culture. Moreover, people who planned to have temporary stays would identify more with their culture of origin than people with permanent stays.

Penaloza’s (1989) study concluded that the antecedent variables of immigrant consumer acculturation included immigrants’ demographic variables (age, gender, marital status, occupation, income and ethnicity, etc), cultural consumption values, language preference for communication, intensity of affiliation and environmental factors. With different influences from those antecedent variables, immigrants would undergo dissimilar learning process in the new environment, and thus, the acculturation outcome dimensions would be different in terms of immigrants’ culture of origin, culture of immigration, and their adaptive dimensions.

Penaloza (1994) took the role of participant-observer to examine the consumer
acculturation of Mexican immigrants in the U.S. The study suggested a negative relationship between ethnic affiliation and consumer acculturation. The more individuals affiliated with their ethnic communities, the less they would adapt and adopt the host or mainstream culture. There were two implications from her study: (1) immigrant consumers had gone through Berry’s (1980) proposed process of acculturation, and (2) immigrant consumer behaviour is not just a simple blending of the culture of origin and the culture of immigration, but the emergence of a unique cultural style, which is independent of both the host and native cultures (Wallendorf and Reilly, 1983). Webster (1994) suggested that ethnic identification was both a subset of acculturation, assimilation and a mode of acculturation. In her study, ethnic identity was operationalized by determining which language was used more at home. The combination of ethnic identification and self-identification captured the dimensions of assimilation.

Ward and Kennedy (1993b) conducted a study regarding the psychological and socio-cultural adjustment during the cross-cultural transition in New Zealand. Their findings revealed that homesickness, external locus of control, life changes and social difficulty were the main factors in psychological adjustment. While cultural distance between the host and home countries, language ability, satisfaction with the host country contact, cultural separation and mood disturbance were important issues in the process of socio-cultural adaptation.
Ying and Liese (1994) investigated 172 Taiwanese students in the U.S. over time and tried to describe their adjustments to the new nation. They found that extrovert people (self-confident and outgoing) were more likely to actively engage in their environment and were better adjusted than introverts (shy and reticent). The reduction of control level from pre-arrival to post-arrival induced worse adjustment to the new culture because of the lack of familiarity with the host country. In general, the more introvert people were, the more problems they suffered throughout the adjustment process in the host culture. Ownbey and Horridge (1997) found differences in orientations depending on various acculturation levels. Among all ten shopping orientation factors, there were statistically significant differences in responses to only two of them (shopping sex roles and shopping opinion leadership) between high and low acculturation groups. The low acculturation group was more likely to stereotype shopping as a female role under a more traditional family structure. Moreover, Asian-American consumers believed that they were shopping opinion leaders and tended to be involved more in providing shopping advice and suggestions within their in-groups, but less for outside their cultural group (out-group). Lee and Tse (1994) found that Hong Kong immigrants did not change the amount of media consumption right after their immigration into Canada. At first, they still followed their original media habits in their home country. Later, they tended to consume more of the host country media than ethnic media. Their media consumption habits changed gradually, but much slower than what the authors had predicted. Lee and Tse (1994) concluded that learning from mass media could affect the process and outcome of
acculturation of new immigrants. They verified that the host media exposure was significantly and positively related to acculturation.

To sum up, Chinese and Canadian cultures vary on a number of dimensions. This will affect the acculturation process as Chinese immigrants move into Canadian society. Specifically, the intensity and the length of acculturation process will depend on how immigrants perceive their immigration, such as culture values, contact with their original culture, and influences from in-group members and ethnic society in the new environment (Jun, Ball, and Gentry, 1993; Lee and Tse 1994; Penaloza, 1989, 1994; Ying and Liese, 1994). It is evident from the literature that an immigrants’ level of acculturation affects the way in which they consume goods, services and media (Doran, 1994; Lee and Tse, 1994; Ownbey and Horridge, 1997; Penaloza, 1989, 1994; Tan and McCullough, 1985). Immigrants with lower levels of acculturation are less likely to make consumption decisions based on the same factors and influences than those with higher levels of acculturation. This difference can be largely attributed to differing cultural norms and values between the immigrants’ former and new cultures. As acculturation levels increase immigrants’ consumption behaviour more so reflects that of the native consumer more so. However, there is evidence that even long time immigrants with high levels of acculturation do not always adopt the consumption habits of the new culture but construct a unique consumption style that reflects both the new and old cultures (Lee and Tse, 1994; Penaloza and Gilly, 1999; Wallendorf and Reilly, 1983). To extend the
discussion regarding how Chinese immigrants act differently in consumption settings compared with Canadians, the psychological influences (more specifically, locus of control) towards immigrants’ consumption behaviours will be examined.

2.4. Locus of Control and Hypothesis Development

Cross-cultural psychology is a broad field of study that examines the aspects of human behaviours that are influenced by cultural experiences. As researchers tend to increase levels of external validity of their findings, several researchers have conducted studies on locus of control either cross-culturally or nationally (Chandler, Shama, Wolf and Planchard, 1981; Faustman and Mathews, 1980; Lao, 1977; Lee and Dengerink, 1992; Yen, Gwinner, and Su, 2004). Locus of control will be put forward as a useful theoretical framework in which assumptions regarding purchasing behaviour of Chinese immigrant consumers in Canada can be made. Hypotheses will then be developed regarding consumption behaviours and those at the service encounter to compare the psychological attributions in purchasing behaviours between (1) Chinese and Canadian consumers and (2) Chinese consumers with different acculturation levels.

Locus of control is a personality construct referring to individual perception of the locus of events as determined by individuals’ own behaviours, luck, fate, or external circumstances (Rotter, 1966; Mahler, 1974; Lefcourt, 1976). Individuals with an internal locus of control orientation attribute success and failure to their own efforts and abilities.
These people tend to seek out information and are more likely to have a positive attitude. On the other hand, people with an external locus of control orientation attribute their success and failure to luck or fate. They are more likely to experience anxiety because they believe that they are not in charge of controlling their lives.

Later, Levenson (1974) expanded Rotter’s (1966) original locus of control construct and included “powerful others” and “chance”. She argued that the measurement of locus of control should be a multi-dimensional construct, not a uni-dimensional construct proposed by Rotter (1966). The expectancies of fate and chance should be separated from the powerful and significant others, and not in the same category. External locus of control could be categorized into two different orientations: (1) People who believe in the influence of powerful others (a belief of an ordered and predictable world and the existence of a potential for control over events, and (2) those who believe in an unpredictable world where all activities and outcomes are “out of their own hands” (chance or fate). In consumption settings, “powerful others” could be the companies or stores where consumers make their purchases or people the “sellers” and who are involved in the purchase transactions at the consumption and service encounters. Even though locus of control is a personality trait, it does change over time or under specific situations (Kielbauch, 1967; Knoop, 1989; Penk, 1969; Phares, 1976). Penk (1969) examined that the youth are relatively helpless and effected little control over their own lives. They were generally controlled by powerful adults (e.g. their parents and the
elderly) in their lives and exhibited more external locus of control orientation. As they became older, their locus of control would be increasingly internalized. It was not only age that increased their internal beliefs, but also their independence, knowledge, enriched life experience, and ability to influence their surroundings (Penk, 1969). However, with advanced age, the elderly might revert towards the helplessness of childhood. After their retirement, they relied more on the support from their offspring and external factors (e.g. health service and retirement pension). Therefore, it would expect that the elderly might exhibit a more external locus of control belief (Knoop, 1989; Phares, 1976).

Kielbauch (1967) investigated the inducement of changes in locus of control beliefs by using inmates of a reformatory. As prisoners began their sentences in a new and strange environment, they were without specific (or insufficient if any) knowledge about the nature of the institution, its values and rules, etc. This led to their feeling of anxiety, helplessness, and thus external locus of control beliefs. As time went by, they were more able to predict and control the rewards and punishments in the reformatory. Therefore, their external locus of control belief and anxiety declined. When prisoners were near the end of their sentences, the uncertainty occurred again. Although Kielbauch’s (1967) study was a bit extreme, it can be related to the situation of new immigrants. When they immigrate into a new country, they have insufficient knowledge and information about the new environment and experience feelings of uncertainty and anxiety (more external locus of control). As time passes, their enriched
experience in the country may reduce their anxiety and also increase their ability to control their own lives. Therefore, it could be concluded that locus of control belief does manifest itself differently at different ages and life situations. The previous research indicates that this personality trait is somewhat malleable and there is a very real possibility that locus of control at consumption and service settings may change too as new circumstances present themselves in a new culture. To extend the discussion with regard to locus of control on consumption and service settings, a review of literature on general consumer locus of control and locus of control in service industry will be examined.

### 2.4.1. General Consumer Locus of Control

Busseri, Lefcourt, and Kerton’s (1998) study indicated that in the general consumption setting, people with an external locus of control were more likely to participate in budgeting, planning, information gathering, need assessment and bargain hunting. Their shopping was more effective and strategic due to the insufficient information and knowledge about the market, products and services. Curren and Folkes (1987) conducted three studies in order to examine the attributional influence of consumer communication about products when consumers planned to complain or compliment a firm due to product performance. In addition, they investigated whether consumers would recommend or warn against the products to their fellows based on their own experience with the products and the companies. People who have an external locus of control
orientation are less likely to respond regarding their good or bad purchases because they tend to attribute their success or failure to luck, fate or other external sources. On the other hand, people with internal locus of control will fight for their consumer’s rights if they had had an unsatisfactory purchase by either complaining about the company, or asking for a return or refund.

In Western society, Waterman (1981) interpreted “ethical individualism” as featured by an internal locus of control, self-actualization, and principled moral reasoning. It was about self-honest, freedom of choice, personal responsibility, and equity in interpersonal relationships. The characteristics Waterman described may explain the characteristics of people from the individualistic society. On the other hand, in Eastern society, Yang (1986) examined that Chinese were more likely to have an external locus of control orientation because of the Confucian influences. Dominant moral and religious thoughts and doctrines from Confucianism have led to a special mode of socialization through which traditional Chinese learned how to live effectively in the social web of society. The central practices of Chinese socialization include parent-centeredness, shaming strategy, dependency, conformity, and modesty training, etc. People have to be respectful of their seniors and superiors in order to keep the society stable and in order. This philosophy also applies to consumption settings, as in-group decision is at a high premium during their purchases. Hence, they will rely on others’ opinions in making consumption choices but not decide on their own. Chinese consumers are more likely to treat their purchase
outcomes as uncontrollable (luck or fate) or out of their own hands (powerful others). Because of the common pattern of Chinese psychological features (e.g. group-mindedness, mutual dependency, relationship-mindedness, external-control belief, and authoritarian syndrome, etc), Yang (1986) concluded that Chinese as a highly social, practical, and eclectic people with a strong collectivistic orientation and Confucian influence.

As new immigrants, Chinese consumers are not familiar with the new Western (Canadian) environment. They do not have much information about where they can shop and what their consumer rights are. They are afraid of complaining about unsatisfactory products and asking for an exchange, return or refund because of the language obstacle and their notion of saving face (Lee and Tse, 1994; Lowe and Corkindale, 1998; Yao, 1988). They would be more likely to blame themselves about their “bad” purchases and may be unsure whether they have got a good deal at all (Lowe and Corkindale, 1998; Slote and De Vos, 1998). Based on previous literature, Chinese immigrants tend to gather information and knowledge about the market and products from both internal and external sources (Doran, 1994; Kang and Kim, 1998; Lee and Tse, 1994). Internal sources are personal memory and past experience while external sources include opinions from family, friends and in-group members. However, for Chinese immigrants, their in-group members are generally still Chinese, who are also disadvantaged in the new market place due to language barriers and lack of experience in the market place. They may rely
on their traditional attitudes and still exhibit modes of consumption in their home
country. In addition, their emphasis will be placed on group affiliations (brand name,
manufacturer, country of origin) of the products, but not the product attributes (Doran,
1994; Kang and Kim, 1998; Lee and Tse, 1994; Ownbey and Horridge, 1997; Penaloza,
1989, 1994).

Individuals from Chinese culture are advised to maintain balance and harmony over their
own tastes and opinions. Complaining behaviour is rare in Chinese culture because the
belief in fate and try to avoid losing face because of their unwise purchase decision
(Lowe and Corkindale, 1998; Yao, 1988). Within the Chinese community in Canada,
those immigrant consumers with higher acculturation levels and longer stays in Canada
may behave in a similar way as Canadian consumers do, compared with those with lower
acculturation levels and shorter stays in Canada because of their adaptation of the new
culture and consumption habits (Doran, 1994; Lee and Tse, 1994). Because of the
increased experience in the marketplace, they may tend to believe more in themselves
and adopt a more internal locus of control in consumption encounters. As they continue
to improve their English levels during the acculturation process, they may be more
willing and able to fight for their consumers’ rights, asking for refunds and exchanges for
product failure and practicing complaining behaviour. Therefore, Hypotheses 1a and 1b
are proposed as:
H1a: Chinese consumers will have lower levels of internal consumer locus of control than their Canadian counterparts.

H1b: Higher levels of internal consumer locus of control among Chinese consumers will be positively related to higher levels of acculturation to Canada, and longer periods of time staying in Canada.

2.4.2. Locus of Control in Service Industry

Compared to traditional commodities, “service” products have distinct characteristics of intangibility, inconsistency, inseparability, and inventory (Berkowitz, et al., 2003). Due to the unique aspects of services, research on the service industry has to be treated separately. One of the major differences between service transactions and product transactions is the customer co-production of the end “product” (Zeithaml, Parasuraman, and Berry, 1985). In the service encounter, most customers are present physically to receive their services. Critical information that is provided by customers is necessary for effective service delivery. The quality of the service is said to be partially dependent on the co-production of the service and the collaboration between customers and service providers (Yen, Gwinner, and Su, 2004).

Ennew and Binks (1999) investigated the relationships between service quality, satisfaction, and retention, and suggested that service participation consisted of three
dimensions: (1) information sharing: Consumers had to share their information with the service providers to make sure that their personal needs were fulfilled; (2) responsible behaviour: Consumers had to recognize their duty and responsibility to be the “co-producer” of the service; and (3) personal interaction: Consumers had to emerge and present trust, support, cooperation, and commitment with the service providers.

Chinese immigrant consumers in Canada may be disadvantaged in this “co-production” since they are unfamiliar with some services in their new culture. Further, some services such as restaurants and hotels can only be discerned after purchase and consumption. Immigrants may even find it impossible to evaluate the service after the purchase and consumption for those services provided by specialized professionals such as legal services and medical diagnosis (Yen, Gwinner, Su, 2004; Zeithaml, Parasuraman, Berry, 1985).

Levels of service expectations are generally formed by consumers’ past experiences and word-of-mouth communications (Ostrom and Iacobucci, 1995; Zeithaml, 1981; Zeithaml, Berry, and Parasuraman, 1996). Newcomers with insufficient information and knowledge about the service could induce ambiguous and uncertain service expectations. Language differences may be also a barrier that inhibits a meaningful dialogue between Chinese immigrant consumers and the service provider, especially when communication is particularly important for the co-production of the services, e.g. education, legal and banking services (Zeithaml, Parasuraman, and Berry, 1985).
Much like the product market, Chinese immigrant consumers tend to gather information and knowledge about the service market and individual service providers from both internal (personal memory and past experience) and external sources (family, friends, and in-group members) (Doran, 1994; Kang and Kim, 1998; Lee and Tse, 1994). However, it is much harder for them to evaluate alternatives accurately and set up their service expectations because of the intangibility of services and their lack of consumption experience in the host country. Therefore, they tend to evaluate their purchase decisions based on the word-of-mouth referral from their in-groups, or just the name of the service provider (Ostrom and Iacobucci, 1995; Zeithaml, 1981; Zeithaml, Berry, and Parasuraman, 1996).

However, the in-group members of Chinese immigrants are generally still Chinese, who are also relatively disadvantaged in the new market place due to language barriers and limited consumption experience. They may rely on their traditional habits and still exhibit modes of consumption in their home country (Doran, 1994; Lee and Tse, 1994; Ownbey and Horridge, 1997). As discussed earlier, Chinese consumers are more likely to maintain balance and harmony over their own tastes and opinions due to the influences of collectivism and Confucianism (Hwang, 1999, 2000). Complaint behaviour due to dissatisfaction of a service is rare in Chinese culture because it implies making an unwise purchase decision and losing face (Lowe and Corkindale, 1998; Yao, 1988). They tend to
attribute their purchases to external factors (service providers, luck or fate). Therefore, the perception of service quality is more likely to be attributed to external forces (powerful others, luck or fate) for Chinese immigrant consumers than that for Canadians.

During the stage of post-purchase evaluation, gap analysis is used to compare the consumer expectations and the actual experience consumers have with the services (Berkowitz, et al., 2003). SERVQUAL is the most popular instrument to measure the perception of service quality (Parasuraman, Berry, and Zeithaml, 1988). Five important dimensions have been found regarding the judgment of consumers’ perception of service quality: tangibles, reliability, responsiveness, assurance, and empathy. Post-purchase evaluations will be more difficult for Chinese immigrants than their Canadian counterparts due to their lack of knowledge about the host culture services. They may be unsure of what level of service expectations they should have and what their consumers’ rights are. They may just compare their past experiences and service expectations in their home countries with the service they received in the host nation, which may not be comparable and even inappropriate (Doran, 1994; Kang and Kim, 1998; Lee and Tse, 1994; Ownbey and Horridge, 1997; Penaloza, 1994).

In general, Chinese consumers are hypothesized to have lower scores on the internal Service Locus of Control (SLOC) Scale because they have less experience with the services in new culture. Language differences could be a barrier in getting desired service
because of the highly needed communication between service provider and customers, such as education, legal and banking services (Ostrom and Iacobucci, 1995; Yen, Gwinner, and Su, 2004; Zeithaml, 1981; Zeithaml, Berry, and Parasuraman, 1996; Zeithaml, Parasuraman, and Berry 1985). They may be unable to evaluate the service quality as well as their Canadian counterparts because of their limited information and lack of experience. Moreover, Chinese tend to rely more on the opinions and suggestions from their in-group members who also have limited consumption experience and are more apt to attribute service failure to outside sources, compared with Canadians members (Doran, 1994; Kang and Kim, 1998; Lee and Tse, 1994; Ownbey and Horridge, 1997; Penaloza, 1994). It is expected that Chinese consumers with higher acculturation levels and longer stays in Canada would be similar to Canadian consumers, compared with those with lower acculturation levels and shorter stays in Canada. Deeper and faster adaptations of the new culture and consumption habits may induce Chinese immigrants to believe in their control at the service encounter. Their language and market knowledge improvement during the acculturation process provides them confidence and information to fight for their consumer rights, asking for refunds, exchanges, returns or even complaining due to service dissatisfaction. Therefore, the hypotheses regarding service consumption are proposed as:

**H2a: Chinese consumers will have lower levels of internal service locus of control than their Canadian counterparts.**
H2b: Higher levels of internal service locus of control among Chinese consumers will be positively related to higher levels of acculturation to Canada, and longer periods of time staying in Canada.

2.4.2. (a) Belief in Powerful Others

The traditional cultures of Asian nations (especially China) are heavily influenced by Confucianism, based on a solid social hierarchy that promotes family and social loyalty over individualism called “Five Bonds” (ruler-subject, father-son, elder brother-younger brother, husband-wife, and friend-friend) (Hwang, 2000). Four of the “Five Bonds” are promoted to define a hierarchical system towards powerful others. As “Five Bonds” have produced a stable government and dominated the culture in China for thousands of years, it is expected that the belief in powerful others is deeply rooted in Chinese communities. Chinese people tend to believe and rely on powerful others in daily lives. The obligation towards powerful others and the seniors within their in-groups have to be maintained (Chia, Cheng and Chuang, 1998). As Chinese value hierarchy and status while Canadians value equality and egalitarianism, Chinese have been socialized to believe more in “powerful” people whereas Canadians tend to believe more in themselves (Kashima et al., 1995).

Schneider, White and Paul (1998) found that service quality and employee work was crucial to the development of the service climate, which included service employee
efforts and competencies on delivering service quality. This research indicated the climate for service, which was created by the service organizations (i.e., powerful others), could lead to a positive purchase experiences for customers and customer perception of service quality. One of the implications was that the organizations themselves affected how consumers perceived the service quality. As immigrant consumers are not familiar with the new environment, they tend to depend more on the service providers regarding the service they received at the service encounter and the success or failure of the service (Schuster, White, and Paul, 1989; Surprenant and Solomon, 1987; Yen, Gwinner, and Su, 2004).

Because of the intangibility of service, it is hard for consumers to judge their purchase decisions and the service quality (Berkowitz et al., 2003; Yen, Gwinner, and Su, 2004; Zeithaml, 1981; Zeithaml, Berry, and Parasuraman, 1996). Chinese immigrant consumers, who believe in “Five Bonds” and have insufficient information and knowledge in Canada, tend to believe and rely on powerful others (i.e., the service provider) in service consumption because of their perceived power and control at the service encounter and their influence on the service transactions. On the other hand, Canadian consumers are more apt to believe that they are in control on their own purchase decisions. It is easier for them to switch “brands” in the service setting if the products are unsatisfactory because of their more comprehensive information and knowledge about service industries, compared with their Chinese counterparts.
(Berkowitz et al., 2003; Bradley and Sparks, 2002; Yen, Gwinner, and Su, 2004; Zeithaml, 1981; Zeithaml, Berry, and Parasuraman, 1996).

However, when acculturation proceeds, highly-acculturated Chinese immigrant consumers, who have been living in Canada for longer time periods will have more information and knowledge about Canadian service industries. They may develop a stronger belief in their control to make purchase decisions and a declined reliance on the service organizations and providers as a result (Ownbey and Horridge, 1997). It is easier for them to react towards the dissatisfied services either by asking for a refund or complaining, compared with lesser acculturated Chinese immigrant consumers and those new immigrants. Therefore, the hypotheses regarding powerful others are proposed as:

**H3a:** Chinese consumers will have higher levels of belief in powerful others in the service consumption experience than their Canadian counterparts.

**H3b:** Higher levels of belief in powerful others in the service consumption experience among Chinese consumers will be negatively related to higher levels of acculturation to Canada, and longer periods of time staying in Canada.
2.4.2. (b) Belief in Luck/Fate

Darke and Freedman’s (1997) study indicated that people who viewed luck as a stable force were influenced by this notion in their purchase decisions (i.e. whom to buy and when to buy). According to their study, Asian-Americans and non-Asians had different beliefs in superstitious endorsement about luck. Asian-Americans believed more in luck and fate while non-Asians believe more in themselves. In Chinese culture, individuals’ misbehaviour and failure are disgraceful for themselves, their families, or even the entire extended family (Hui and Triandis, 1986). Chinese tend to have the belief in the correspondence of a person’s own outcome with the outcomes of others (Lao, 1977; Yao, 1988). As the outcomes have been already predetermined, Chinese immigrant consumers will have lower expectations towards the purchased products and probably experience less cognitive dissonance. The desire to maintain social harmony in Confucianism and the norm of saving face in Chinese cultures discourages people from complaining product failure. The Chinese man-to-nature orientation implies fatalism, a tendency to submit to an individual’s fates. Chinese tend to believe that the reward of “good” is good, while the “reward” of “evil” is evil (Hwang, 2000; Lowe and Corkindale, 1998). In other words, outcomes are not to be questioned, but merely accepted.

On the other hand, based on the highly individualistic background in Canadian society, people believe in their own control in their daily lives and their purchase decisions are controllable by their own hands. Their enriched information and knowledge about the
service markets allows them to make their own choices and rely less on others’ opinions and suggestions (Kashima et al., 1995). Generally, the belief in luck and fate does not play as large a role in Canadian society as it does in Chinese society. Hence, it could be concluded that Canadian’s weigh luck as a part of their success and failure less than Chinese do.

To summarize, as Chinese immigrants are the strangers in the Canadian market, the lack of knowledge and information about the market and products make them feel as though they have less control over what may happen to them, compared with the local Canadians (Kashima et al., 1995; Yao, 1988). They will believe more in luck and fate than Canadians do. However, within Chinese society, those immigrant consumers with higher levels of Canadian acculturation and staying in Canada in longer time periods may believe less in luck and fate (but more in themselves) at service consumption compared with those with lower levels of Canadian acculturation and new immigrants because of adapting and adopting Canadian values and their purchasing habits (Lee and Tse, 1994; Ownbey and Horridge, 1997). Therefore, the hypotheses regarding the belief of luck are proposed:

**H4a: Chinese consumers will have higher levels of belief in luck in the service consumption experience than their Canadian counterparts.**
H4b: Higher levels of belief in luck in the service consumption experience among Chinese consumers will be negatively related to higher levels of acculturation to Canada, and longer periods of time staying in Canada.
3. Methodology

The purpose of this study was to show how levels of acculturation and locus of control orientation were related to the consumer behaviour of Chinese immigrants and Canadians in the Canadian marketplace. More specifically, consumer locus of control was examined as well service locus of control orientation. Chinese students studying in Canada were used to represent the consumers who were “newcomers” to the Canadian marketplace. A Canadian student sample was used as the comparison group.

A questionnaire consisting of three scales (See Appendices 9.1 to 9.3) along with demographic information was administered in order to examine how locus of control orientation differs among Chinese and Canadian students. To carry out this research, a survey station was set up in University of Lethbridge, Lethbridge, Alberta in late June. 124 university students provided the database for this study. A sample of 62 Chinese and 62 Canadian consumers was included. Each respondent spent about 20 minutes filling out the self-administrated written questionnaire and received $4 for participation. Of the 124 students, only 60 of the respondents from the Chinese sample were usable. This was because two of the Chinese respondents have been living in Canada for 18 and 20 years (They are more than eight standard deviations away from the average number of years lived in Canada). Their acculturation levels to Canada are too high to categorize as new Chinese consumers in Canada. These two respondents were treated as outliers and excluded from this study.
3.1. Research Instruments

Three scales (Consumer Locus of Control Scale, Service Locus of Control Scale, and Asian American Multidimensional Acculturation Scale) were used in this study. Moreover, demographic information (including gender, martial status, age, nationality, years lived in Canada, living with family or not, the intention of staying in Canada after finishing studies, country birthplace, annual income level and academic study information) was also examined.

3.1.1. Consumer Locus of Control Scale (CLOC)

In order to measure the respondents’ locus of control level regarding consumer behaviour, the Consumer Locus of Control Scale (CLOC), by Busseri and Kerton (1997) was used. 20 statements in CLOC scale were used to investigate the respondents’ patterns and behaviours regarding different shopping issues. The scale used to measure these responses was a 5-point Likert-type scale with 1 denoting “Strongly Disagree” and 5 denoting “Strongly Agree”. Statements 2, 3, 6, 9, 10, 12, 14, 15, 17, 18, 19, and 20 were the factors of external locus of control and Statements 1, 4, 5, 7, 8, 11, 13, and 16 were the factors of internal locus of control (see 9.1. Consumer Locus of Control Scale). Both internal and external items were designed to present either positive, negative or neutral shopping outcomes (Busseri and Kerton, 1997; Busseri, Lefcourt, and Kerton 1998). CLOC scores (e.g. the internality of locus of control) were based on the average rating for the scale across 20 items. As the internality of locus of control was measured in this study, the scores for external locus of control items had to be negatively reversed. The
Cronbach’s alphas were 0.77 for external items and 0.76 for internal items (Busseri, Lefcourt, and Kerton 1998).

3.1.2. Service Locus of Control Scale (SLOC)

In order to extend the investigation of respondents’ locus of control levels regarding consumer behaviour specifically in the service industry, the Service Locus of Control (SLOC) Scale was used (Bradley and Sparks 2002). Bradley and Sparks (2002) conducted three studies to illustrate the sources (general reinforcement history and specific service experiences), the consequences (pre-purchase, service encounter, and post-purchase) of the belief of service locus of control, and the implications for consumer behaviour in service settings. SLOC Scale was a 14-item measure and included three sub-scales: internal, powerful others, and luck. SLOC beliefs were said to affect consumer behaviour before, during and after their encounters with the service organizations and providers. This scale could explain whether consumers believe that the control of good or bad purchases was held by themselves (internal), by the service organizations (powerful others), or simply by chance events and luck. All items were used in a 7-point Likert-type scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree). Statements 3, 5, 7, 8, 10, and 12 were the factors of internal locus of control, Statements 1, 4, 11, and 14 were the factors for external (Powerful Others) locus of control and Statements 2, 6, 9, and 13 were the factors of external (Luck) locus of control (see 9.2. Service Locus of Control Scale). The Cronbach’s alphas among Bradley and Sparks (2002)’s three studies were acceptable: ranging 0.83 to 0.87 for internal sub-scale, 0.75 to 0.80 for Powerful Others
sub-scale, and 0.74 to 0.78 for Luck sub-scale.

### 3.1.3. Asian American Multidimensional Acculturation Scale (AAMAS)

To conceptualize and measure differences of acculturation levels of immigrants, the Asian American Multidimensional Acculturation Scale (AAMAS) was used in this study (Chung, Kim, and Abreu, 2004). AAMAS was used to measure “the extent to which there was a consistent underlying structure for such an emergent pan-ethnic culture, particularly in the domains of cultural identity, language, cultural knowledge, and food consumption” (Chung, Kim, and Abreu, 2004). Originally, it comprised three scales: AAMAS-Culture of Origin (AAMAS-CO), AAMAS-Asian American (AAMAS-AA), and AAMAS-European American (AAMAS-EA). The specific items for the AAMAS had been converted to a multi-linear format by asking subjects to rate each items regarding to three referent groups: their culture of origin, other Asian Americans and European Americans. The reliabilities for AAMAS scale were acceptable in Chung, Kim, and Abreu’s (2004) study. In AAMAS-CO, Cronbach’s alphas were 0.79, 0.84, 0.77 and 0.71 for cultural identity, language, cultural knowledge, and food consumption. In AAMAS-AA, Cronbach’s alphas were 0.70, 0.85, 0.77 and 0.79 for cultural identity, language, cultural knowledge, and food consumption. In AAMAS-EA, Cronbach’s alphas were 0.78, 0.82, 0.71 and 0.71 for cultural identity, language, cultural knowledge, and food consumption.

As this study was conducted in Canada and our referent groups were only Chinese
Canadians, two revised sub-scales were used: AAMAS-Chinese (Mainland China/Taiwan/Hong Kong) and AAMAS-Canadians. Questions on those revised scales were identical to the original AAMAS developed by Chung, Kim, and Abreu (2004) except they were in Canadian and Chinese contexts. Moreover, this research examined only three of the factors in Chung, Kim, and Abreu’s (2004) study: cultural identity, language, and cultural knowledge (excluding the factor of food consumption). Each sub-scale has 13 items and uses a 6-point Likert-type scale ranging from 1 to 6 where 1 means “Not Very Much” to 6 means “Very Much”. Among all 13 items, items 1 to 6 measure cultural identity; items 7 to 10 measure language; and items 11 to 13 measure cultural knowledge (see 9.3. Asian American Multidimensional Acculturation Scale). AAMAS scores are based on the average rating for each scale across 13 items.

The length of time in Canada was an important variable with regard to the Chinese respondents’ acculturation level to Canada. An open-ended question of number of years-lived in Canada was put in the survey (see 9.4. Demographic Information). This was a continuous variable and the unit of variable was “years”. It was expected that the longer the time Chinese immigrants stayed in Canada, the more acculturated they would be.

3.2. Research Procedures

To carry out this research, a survey station was set up at the University of Lethbridge, Lethbridge, Alberta in late June. Students were recruited to voluntarily participate in an approximately 20-minute study. 124 university students provided the sample for this
study. A sample of 62 Chinese and 62 Canadian students were included. Each of them spent about 20 minutes filling out the self-administrated written questionnaire and received $4 for participation. The questionnaire was pretested by five Chinese students (both graduate and undergraduate) before the survey was administrated in order to get feedback regarding the wording of the questions and whether there was any problem or difficulty for them to fill out the survey. The questionnaire was then revised by using appropriate wordings for the ease of understanding, especially for Chinese students, with minimal changes in the meaning of the questions. The questionnaire consisted of five parts: CLOC Scale, SLOC Scale, AAMAS-Chinese, AAMAS-Canadians, and demographic information. The sequential order of the survey is shown in Table 2. The reason to put CLOC and SLOC scales before the AAMAS was trying to avoid any guessing from the survey participants regarding the purpose of the study and any tendency they might have to give answers that the researcher wanted.

Table 2. The Sequential Order in the Survey

<table>
<thead>
<tr>
<th>Sequential Order</th>
<th>Chinese Students</th>
<th>Canadian Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CLOC Scale</td>
<td>CLOC Scale</td>
</tr>
<tr>
<td>2</td>
<td>SLOC Scale</td>
<td>SLOC Scale</td>
</tr>
<tr>
<td>3</td>
<td>AAMAS Scale (Chinese, Canadians)</td>
<td>AAMAS Scale (Canadians, Chinese)</td>
</tr>
</tbody>
</table>
3.3. Statistical Methods

For Hypotheses 1a, 2a, 3a, and 4a, t-tests were used in order to evaluate whether there are cultural differences between Chinese consumers and Canadian consumers in terms of CLOC scale (Hypothesis 1a), SLOC scale (Hypothesis 2a), SLOC sub-scale: Powerful Others (Hypothesis 3a) and SLOC sub-scale: Luck (Hypothesis 4a). Inferences about the population mean between Chinese and Canadian consumers would be made for comparisons. The unpaired t-tests were applicable here as the samples are independent (Chinese immigrants vs. Canadians) and the standard deviation of the population mean is unknown (Tabachnick and Fidell, 2001; Zikmund, 2003).

For Hypothesis 1b, 2b, 3b, and 4b, regression analysis was used to investigate the relationship between locus of control orientations, acculturation levels to Canada and the length of time staying in Canada among Chinese consumers in terms of CLOC scale (Hypothesis 1b), SLOC scale (Hypothesis 2b), SLOC sub-scale: Powerful Others (Hypothesis 3b) and SLOC sub-scale: Luck (Hypothesis 4b). As this study focused on the acculturation levels to Canada, only AAMAS-Canadian was used to test among Chinese consumers.

Table 3 summarizes all hypotheses and their corresponding scales for testing while Table
4 summarizes all independent variables (IVs), dependent variables (DV), control variables (CV) and their corresponding statistical methods.
### Table 3. Hypotheses and their corresponding scales

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Hypothesis Description</th>
<th>Scales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Chinese consumers will have lower levels of internal consumer locus of control than their Canadian counterparts</td>
<td>CLOC Scale</td>
</tr>
<tr>
<td>1b</td>
<td>Higher levels of internal consumer locus of control among Chinese consumers will be positively related to higher levels of acculturation to Canada, and longer periods of time staying in Canada</td>
<td>$CLOC = AAMAS + \text{Periods of Time in Canada}$</td>
</tr>
<tr>
<td>2a</td>
<td>Chinese consumers will have lower levels of internal service locus of control than their Canadian counterparts</td>
<td>SLOC Scale</td>
</tr>
<tr>
<td>2b</td>
<td>Higher levels of internal service locus of control among Chinese consumers will be positively related to higher levels of acculturation to Canada, and longer periods of time staying in Canada</td>
<td>$SLOC = AAMAS + \text{Periods of Time in Canada}$</td>
</tr>
<tr>
<td>3a</td>
<td>Chinese consumers will have higher levels of belief in powerful others in the service consumption experience than their Canadian counterparts</td>
<td>SLOC Sub-Scale (Powerful Others)</td>
</tr>
<tr>
<td>3b</td>
<td>Higher levels of belief in powerful others in the service consumption experience among Chinese consumers will be negatively related to higher levels of acculturation to Canada, and longer periods of time staying in Canada</td>
<td>$\text{Powerful Others} = AAMAS + \text{Periods of Time in Canada}$</td>
</tr>
<tr>
<td>4a</td>
<td>Chinese consumers will have higher levels of belief in luck in the service consumption experience than their Canadian counterparts</td>
<td>SLOC Sub-Scale (Luck)</td>
</tr>
<tr>
<td>4b</td>
<td>Higher levels of belief in luck in the service consumption experience among Chinese consumers will be negatively related to higher levels of acculturation to Canada, and longer periods of time staying in Canada</td>
<td>$\text{Luck} = AAMAS + \text{Periods of Time in Canada}$</td>
</tr>
</tbody>
</table>

### Table 4. Hypotheses, IVs, DVs, and their corresponding statistical methods

52
<table>
<thead>
<tr>
<th>Hypothesis Number</th>
<th>Independent Variables (IVs)</th>
<th>Dependent Variables (DV)</th>
<th>Statistical Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Chinese consumers &amp; Canadian consumers</td>
<td>CLOC Scale</td>
<td>t-test</td>
</tr>
<tr>
<td>1b</td>
<td>Chinese consumer with different acculturation levels to Canada (continuous variable) &amp;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chinese consumer with different periods of time staying in Canada (continuous variable)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a</td>
<td>Chinese consumers &amp; Canadian consumers</td>
<td>SLOC Scale</td>
<td>t-test</td>
</tr>
<tr>
<td>2b</td>
<td>Chinese consumer with different acculturation levels to Canada (continuous variable) &amp;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chinese consumer with different periods of time staying in Canada (continuous variable)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3a</td>
<td>Chinese consumers &amp; Canadian consumers</td>
<td>SLOC Sub-Scale (Powerful</td>
<td>t-test</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others)</td>
<td></td>
</tr>
<tr>
<td>3b</td>
<td>Chinese consumer with different acculturation levels to Canada (continuous variable) &amp;</td>
<td></td>
<td>Regression</td>
</tr>
<tr>
<td></td>
<td>Chinese consumer with different periods of time staying in Canada (continuous variable)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a</td>
<td>Chinese consumers &amp; Canadian consumers</td>
<td>SLOC Sub-Scale (Luck)</td>
<td>t-test</td>
</tr>
<tr>
<td>4b</td>
<td>Chinese consumer with different acculturation levels to Canada (continuous variable) &amp;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chinese consumer with different periods of time staying in Canada (continuous variable)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Results
The data was collected from a sample of Chinese and Canadian students from the University of Lethbridge. A total of 124 respondents participated in the study (62 respondents in both Canadian and Chinese groups) and completed the questionnaires. However, only 60 surveys from the Chinese sample were usable because two of the respondents in the sample were extreme outliers with regard to number of years lived in Canada. They have been living in Canada for 18 and 20 years: at least eight standard deviations away from the mean (Mean = 2.8333 years, SD = 1.924 years).

4.1. Demographic Characteristics

Table 5 provides the descriptive statistics of respondents’ demographic characteristics. Among the Chinese sample, 53.3% of respondents were female. Single respondents consisted of 95.0% of the Chinese sample. The average age for Chinese respondents was 22.72 years old (ranging between 19 and 36). As two outliers (living in Canada for 18 and 20 years) had been dropped, the remaining 60 Chinese respondents had been living in Canada ranging from 1 year to 10 years (Mean = 2.83 years, SD = 1.92 year). The Chinese sample in this study was well represented as a new Chinese immigrant group in Canada (73.3% of the sample indicated a desire to stay in Canada after finishing their studies). Most Chinese students (90%) in this study were living outside the family (either alone or with roommates). Most Chinese respondents were born in Mainland China or Hong Kong (only one was born in Canada). The average annual income for the Chinese sample was $5,166.67. More than half of the Chinese respondents were majoring in Management (56.7%).
Among Canadian sample, 56.5% of respondents were female. Approximately three-quarters (74.2%) of the respondents were single. The average age for Canadian respondents was slightly higher than their Chinese counterpart (Mean: 24.52 year-old; range: 18 to 44). Canadian students (61.3%) in this study were generally living outside the family (either alone or with roommates). Only five Canadian respondents (8.1%) were born outside Canada. As all of them had been living in Canada for at least 15 years, they were still treated as Canadians. The average annual income for the Canadian sample was $10,805.08, almost double the amount for Chinese respondents. Most Canadian respondents were majoring in Arts (30.6%) and Education (21.0%).
Table 5. Demographic Profile of Respondents

<table>
<thead>
<tr>
<th>Demographic Information</th>
<th>Canadian</th>
<th>Percentage</th>
<th>Chinese</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey Respondents</td>
<td>62</td>
<td>50.8%</td>
<td>60</td>
<td>49.2%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>27</td>
<td>43.5%</td>
<td>28</td>
<td>46.7%</td>
</tr>
<tr>
<td>Female</td>
<td>35</td>
<td>56.5%</td>
<td>32</td>
<td>53.3%</td>
</tr>
<tr>
<td>Martial Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>46</td>
<td>74.2%</td>
<td>57</td>
<td>95.0%</td>
</tr>
<tr>
<td>Married</td>
<td>14</td>
<td>22.6%</td>
<td>2</td>
<td>3.3%</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>3.2%</td>
<td>1</td>
<td>1.7%</td>
</tr>
<tr>
<td>Age</td>
<td>Range: 18 – 44 Year-old</td>
<td>Mean: 24.52 Year-Old Standard Deviation: 5.19 Years</td>
<td>Range: 19 – 36 Year-old</td>
<td>Mean: 22.72 Year-Old Standard Deviation: 2.95 years</td>
</tr>
<tr>
<td>Years Lived in Canada</td>
<td>Inapplicable</td>
<td>44</td>
<td>73.3%</td>
<td></td>
</tr>
<tr>
<td>Planning To Stay in Canada After Finishing Studies</td>
<td>Yes</td>
<td>Inapplicable</td>
<td>44</td>
<td>73.3%</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td></td>
<td>16</td>
<td>26.7%</td>
</tr>
<tr>
<td>Living with Family/Alone/With Roommates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td>23</td>
<td>37.1%</td>
<td>6</td>
<td>10.0%</td>
</tr>
<tr>
<td>Living Alone/With Roommates</td>
<td>38</td>
<td>61.3%</td>
<td>54</td>
<td>90.0%</td>
</tr>
<tr>
<td>Missing Data</td>
<td>1</td>
<td>1.6%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Country Birthplace</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>57</td>
<td>91.9%</td>
<td>1</td>
<td>1.7%</td>
</tr>
<tr>
<td>Mainland China</td>
<td>0</td>
<td>0%</td>
<td>52</td>
<td>86.7%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>0</td>
<td>0%</td>
<td>7</td>
<td>11.7%</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>8.1%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>(1 Israel, 1 Philippines, 1 South Africa, 1 U.A.E., and 1 U.S.A.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Income</td>
<td>Average</td>
<td>$10,805.08</td>
<td>$5,166.67</td>
<td></td>
</tr>
<tr>
<td>Program Studying in U of Lethbridge</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts</td>
<td>19</td>
<td>30.6%</td>
<td>7</td>
<td>11.7%</td>
</tr>
<tr>
<td>Science</td>
<td>8</td>
<td>12.9%</td>
<td>12</td>
<td>20.0%</td>
</tr>
<tr>
<td>Management</td>
<td>12</td>
<td>19.4%</td>
<td>34</td>
<td>56.7%</td>
</tr>
<tr>
<td>Education</td>
<td>13</td>
<td>21.0%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Fine Arts</td>
<td>4</td>
<td>6.5%</td>
<td>2</td>
<td>3.3%</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0%</td>
<td>5</td>
<td>8.3%</td>
</tr>
<tr>
<td>Non-Students</td>
<td>2</td>
<td>3.2%</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Missing Data</td>
<td>4</td>
<td>6.5%</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>
4.2. Reliability and Correlation Analyses

Table 6 provides the Cronbach’s Alphas for all scales and sub-scales used in this study. The Cronbach’s Alphas of AAMAS and its sub-scales were much higher than those of CLOC and SLOC. This was logical because those acculturation scales were designed specifically for foreigners entering into a new culture. The Cronbach’s alpha for SLOC (Luck) was lower than the general acceptance level of 0.7 (i.e., 0.68), however, the alpha was even lower if any one of the four “luck” items were deleted. In general, it could be said that the scales and sub-scales used in this study were reliable and consistent with the Cronbach’s alphas found during the original scale development (Bradley and Sparks, 2002; Busseri and Kerton, 1997; Chung, Kim, and Abreu, 2004).

Table 6. Cronbach’s Alpha Values for Locus of Control Scales and Sub-Scales

<table>
<thead>
<tr>
<th>Scale / Sub-scale</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLOC</td>
<td>0.718</td>
</tr>
<tr>
<td>SLOC</td>
<td>0.755</td>
</tr>
<tr>
<td>SLOC (Powerful Others)</td>
<td>0.769</td>
</tr>
<tr>
<td>SLOC (Luck)</td>
<td>0.680</td>
</tr>
<tr>
<td>AAMAS (Chinese)</td>
<td>0.929</td>
</tr>
<tr>
<td>AAMAS (Canadian)</td>
<td>0.915</td>
</tr>
<tr>
<td>AAMAS – Chinese (Cultural Identity)</td>
<td>0.754</td>
</tr>
<tr>
<td>AAMAS – Canadian (Cultural Identity)</td>
<td>0.782</td>
</tr>
<tr>
<td>AAMAS – Chinese (Language)</td>
<td>0.969</td>
</tr>
<tr>
<td>AAMAS – Canadian (Language)</td>
<td>0.897</td>
</tr>
<tr>
<td>AAMAS – Chinese (Cultural Knowledge)</td>
<td>0.946</td>
</tr>
<tr>
<td>AAMAS – Canadian (Cultural Knowledge)</td>
<td>0.878</td>
</tr>
</tbody>
</table>

Table 7 provides the correlation matrices among independent variables and dependent
variables (acculturation as a combined variable consisting of cultural identity, language, and cultural knowledge) for Chinese respondents. In addition, based on the SPSS result, the correlation between the acculturation level to Canada (as a single variable) and the length of time staying in Canada was 0.427. As there was no correlation value over 0.8 between independent variables, it was apparent that the independent variables were indeed independent and multicollinearity was not a threat.

Table 7. Correlation Matrix among IVs and DVs for Chinese Respondents

<table>
<thead>
<tr>
<th>Pearson Correlation</th>
<th>Cultural Identity</th>
<th>Language</th>
<th>Cultural Knowledge</th>
<th>Years Lived in Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural Identity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Language</td>
<td>0.506**</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cultural Knowledge</td>
<td>0.545**</td>
<td>0.480**</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Years Lived in Canada</td>
<td>0.313*</td>
<td>0.466**</td>
<td>0.277*</td>
<td>-</td>
</tr>
<tr>
<td>CLOC</td>
<td>0.089</td>
<td>0.062</td>
<td>0.127</td>
<td>-0.069</td>
</tr>
<tr>
<td>SLOC</td>
<td>0.061</td>
<td>-0.093</td>
<td>0.062</td>
<td>-0.130</td>
</tr>
<tr>
<td>SLOC (Powerful Others)</td>
<td>-0.248</td>
<td>-0.354**</td>
<td>-0.059</td>
<td>-0.268*</td>
</tr>
<tr>
<td>SLOC (Luck)</td>
<td>0.041</td>
<td>-0.011</td>
<td>-0.022</td>
<td>0.104</td>
</tr>
<tr>
<td>Mean</td>
<td>3.3056</td>
<td>3.9000</td>
<td>2.8056</td>
<td>2.8333</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.73400</td>
<td>0.88920</td>
<td>1.06173</td>
<td>1.92369</td>
</tr>
</tbody>
</table>

* Correlation is significant at 0.05 level (2-tailed)
** Correlation is significant at 0.01 level (2-tailed)

4.3 Hypothesis Testing
To determine whether or not there is a cultural difference between Chinese and Canadian consumers in locus of control orientation, t-tests were utilized. Hypothesis 1a predicted that Chinese consumers had lower levels of internal consumer locus of control than their Canadian counterparts. Table 9 provides the t-test results for the cross-cultural difference in locus of control scales. As the result indicates, there is a significant difference in consumer locus of control scale between Chinese and Canadian consumers (Mean = 3.7097, SD = 0.35757 for Canadians; Mean = 3.2, SD = 0.3563 for Chinese; t-value = 7.885; p-value = 0.00 < 0.05). Therefore, internality of consumer locus of control was higher among Canadian consumers than their Chinese counterparts and Hypothesis 1a was supported.

Hypothesis 2a examined whether or not Chinese consumers had lower levels of internal service locus of control than their Canadian counterparts. In Table 9, t-test results showed that there is a significant difference in the level of service locus of control scale between Chinese and Canadian consumers (Mean = 4.0622, SD = 0.67892 for Canadians; Mean = 3.8333, SD = 0.42830 for Chinese; t-value = 2.219; p-value = 0.028 < 0.05). Therefore, internality of service locus of control was tested to be higher among Canadian consumers than their Chinese counterparts and Hypothesis 2a was supported.

Hypothesis 3a predicted that Chinese consumers had higher levels of belief in powerful others in the service consumption experience than their Canadian counterparts. With
regard to the t-test result, the belief of powerful others in the service setting was higher among Chinese consumers than their Canadian counterparts (Mean = 5.0766, SD = 1.01972 for Chinese; Mean = 5.05, SD = 1.0718 for Canadians). Even though Chinese consumers’ mean score was higher in the belief in powerful others in the service consumption experience than Canadian consumers, there was no significant difference (t-value = 0.140; p-value = 0.889 > 0.05). Hypothesis 3a was not supported via a statistically significant difference yet the direction of the means was in the hypothesized direction.

Hypothesis 4a predicted that Chinese consumers had higher levels of belief in luck in the service consumption experience than their Canadian counterparts. The belief of luck in the service setting was higher among Chinese consumers than their Canadian counterparts. On average, Chinese consumers believed more in luck in the service consumption experience than Canadian consumers (Mean = 3.8917, SD = 1.02858 for Chinese; Mean = 2.6815, SD = 0.87094 for Canadians; t-value = -7.022; p-value = 0.00 < 0.05). There is a significant difference in the belief in luck between Chinese and Canadian consumers. Hypothesis 4a was supported.
To further investigate the relationship between locus of control orientation, acculturation levels to Canada and the length of staying in Canada, regression analyses were utilized. Table 9 provides the regression analyses regarding the relationship between those three variables. Hypothesis 1b predicted that higher levels of internal consumer locus of control among Chinese consumers was positively related to higher levels of acculturation to Canada and a longer period of time staying in Canada. According to the regression result, when acculturation was higher, the internal CLOC score was higher but insignificant ($F_{2,57} = 0.849$, $p = 0.433 > 0.05$). However, years lived in Canada and the internal CLOC had a negatively relationship. All independent variables (acculturation level and years lived in Canada) explained just 2.9% of the variance in CLOC scale. Hence, Hypothesis 1b was not supported.

Hypothesis 2b examined whether there was a positive relationship between levels of 

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### Table 8. T-tests for Cross-Cultural Difference in Locus of Control Scales

<table>
<thead>
<tr>
<th>Scale</th>
<th>Independent Variables</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>p-value</th>
<th>Result (Alpha = 0.05)</th>
<th>Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLOC</td>
<td>Canadian</td>
<td>3.7097</td>
<td>0.35757</td>
<td>0.000</td>
<td>Significant</td>
<td>H1a Supported</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>3.2000</td>
<td>0.35630</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOC</td>
<td>Canadian</td>
<td>4.0622</td>
<td>0.67892</td>
<td>0.028</td>
<td>Significant</td>
<td>H2a Supported</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>3.8333</td>
<td>0.42830</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOC</td>
<td>Powerful Others</td>
<td>5.0500</td>
<td>1.07180</td>
<td>0.889</td>
<td>Insignificant</td>
<td>H3a Not Supported</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>5.0766</td>
<td>1.01972</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOC</td>
<td>Luck</td>
<td>2.6815</td>
<td>0.87094</td>
<td>0.000</td>
<td>Significant</td>
<td>H4a Supported</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>3.8917</td>
<td>1.02858</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
internal service locus of control among Chinese consumers and levels of acculturation to Canada and years lived in Canada. The regression analyses showed mixed results that higher internal levels of SLOC score would be positively related to higher acculturation level while it is negatively related to the period of time staying in Canada. The results were insignificant ($F_{2, 57} = 0.669, p = 0.516 > 0.05$). All two factors (acculturation level to Canada and years lived in Canada) explained only 2.3% of the variance in SLOC scale. Therefore, Hypothesis 2b was not supported.

Hypothesis 3b investigated whether higher levels of belief in powerful others among Chinese consumers were negatively related to higher levels of acculturation to Canada and longer period staying in Canada. The regression result indicated that, when acculturation was higher and Chinese consumers stayed longer in Canada, their belief in powerful others was lower ($F_{2, 57} = 3.306, p = 0.044 < 0.05$) and statistically significant. Even though none of the independent variable was predictive to the belief in powerful others individually, the combined relationship between them and the dependent variable was significant instead (i.e. significant p-value). All two factors (acculturation level to Canada and years lived in Canada) explained 10.4% of the variance in the belief in powerful others. Therefore, Hypothesis 3b was partially supported.

Hypothesis 4b examined whether higher levels of belief in luck among Chinese consumers were negatively related to higher levels of acculturation to Canada and longer
period of time staying in Canada. With regard to the regression result, higher levels of the belief in luck occurred for lower acculturation levels to Canada but longer periods of time staying in Canada. The result was mixed and insignificant ($F_{2, 57} = 0.356, p = 0.702 > 0.05$). All two independent variables (acculturation level to Canada and years lived in Canada) explained only 1.2% of the variance in the belief in luck. Therefore, Hypothesis 4b was not supported.

Table 9. Regression Analysis in Locus of Control Scales (I)

<table>
<thead>
<tr>
<th>Scale</th>
<th>Independent Variables</th>
<th>Beta</th>
<th>t-value</th>
<th>p-value</th>
<th>Results (Alpha = 0.05)</th>
<th>Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLOC</td>
<td></td>
<td>0.172</td>
<td>1.190</td>
<td>0.239</td>
<td>Insignificant</td>
<td>H1b Not Supported</td>
</tr>
<tr>
<td></td>
<td>Acculturation Level</td>
<td>-0.143</td>
<td>0.988</td>
<td>0.328</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOC</td>
<td></td>
<td>0.086</td>
<td>0.595</td>
<td>0.554</td>
<td>Insignificant</td>
<td>H2b Not Supported</td>
</tr>
<tr>
<td></td>
<td>Acculturation Level</td>
<td>-0.167</td>
<td>-1.151</td>
<td>0.255</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOC</td>
<td>(Powerful Others)</td>
<td>-0.198</td>
<td>-1.431</td>
<td>0.158</td>
<td>Insignificant</td>
<td>H3b Partially Supported</td>
</tr>
<tr>
<td></td>
<td>Acculturation Level</td>
<td>-0.183</td>
<td>-1.321</td>
<td>0.192</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOC</td>
<td>(Luck)</td>
<td>-0.045</td>
<td>-0.307</td>
<td>0.760</td>
<td>Insignificant</td>
<td>H4b Not Supported</td>
</tr>
<tr>
<td></td>
<td>Acculturation Level</td>
<td>0.123</td>
<td>-0.842</td>
<td>0.403</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
In order to have a better understanding of acculturation effects on locus of control orientation, the independent variable (acculturation level to Canada) in Table 9 was split into its three sub-scales (cultural identity, language, and cultural knowledge). Therefore, Table 10 shows the relationship between the three acculturation sub-scales and years lived in Canada. However, the results were the same whatever the acculturation levels to Canada was treated as a single variable or not (see Tables 9 and 10). Neither H1b (CLOC), H2b (SLOC), nor H4b (SLOC: Luck) was supported. H3b (SLOC: Powerful Others) was supported when all independent variables were taken into account simultaneously, but if the independent variable was treated separately, none of them was predictive towards the belief in powerful others.
### Table 10. Regression Analysis in Locus of Control Scales (II)

<table>
<thead>
<tr>
<th>Scale</th>
<th>Independent Variables</th>
<th>Beta</th>
<th>t-value</th>
<th>p-value</th>
<th>Result (Alpha = 0.05)</th>
<th>Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLOC</td>
<td>R-square = 0.034; F-value = 0.376 (p = 0.863) – Insignificant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cultural Identity</td>
<td>0.050</td>
<td>0.290</td>
<td>0.773</td>
<td>Insignificant</td>
<td>H1b Not Supported</td>
</tr>
<tr>
<td></td>
<td>Language</td>
<td>0.046</td>
<td>0.263</td>
<td>0.793</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cultural Knowledge</td>
<td>0.114</td>
<td>0.682</td>
<td>0.498</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Years Lived in Canada</td>
<td>-0.148</td>
<td>-0.957</td>
<td>0.343</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOC</td>
<td>R-square = 0.044; F-value = 0.492 (p = 0.780) – Insignificant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cultural Identity</td>
<td>0.117</td>
<td>0.687</td>
<td>0.495</td>
<td>Insignificant</td>
<td>H2b Not Supported</td>
</tr>
<tr>
<td></td>
<td>Language</td>
<td>-0.141</td>
<td>-0.820</td>
<td>0.416</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cultural Knowledge</td>
<td>0.103</td>
<td>0.620</td>
<td>0.538</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Years Lived in Canada</td>
<td>-0.127</td>
<td>-0.821</td>
<td>0.415</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOC (Powerful Others)</td>
<td>R-square = 0.223; F-value = 3.101 (p = 0.016) – Significant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cultural Identity</td>
<td>-0.197</td>
<td>-1.285</td>
<td>0.204</td>
<td>Insignificant</td>
<td>H3b Partially</td>
</tr>
<tr>
<td></td>
<td>Language</td>
<td>-0.305</td>
<td>-1.965</td>
<td>0.055</td>
<td></td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Cultural Knowledge</td>
<td>-0.242</td>
<td>-1.615</td>
<td>0.112</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Years Lived in Canada</td>
<td>-0.080</td>
<td>-0.578</td>
<td>0.566</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SLOC (Luck)</td>
<td>R-square = 0.038; F-value = 0.424 (p = 0.830) – Insignificant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cultural Identity</td>
<td>0.055</td>
<td>0.321</td>
<td>0.749</td>
<td>Insignificant</td>
<td>H4b Not Supported</td>
</tr>
<tr>
<td></td>
<td>Language</td>
<td>-0.077</td>
<td>-0.447</td>
<td>0.656</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cultural Knowledge</td>
<td>-0.045</td>
<td>-0.272</td>
<td>0.786</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Years Lived in Canada</td>
<td>0.167</td>
<td>1.077</td>
<td>0.286</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5. Discussion

From the results of the study, it can be concluded that the internal consumer locus of control is significantly lower for new Chinese immigrant consumers, compared to their Canadian counterparts (Hypothesis 1a). Being relatively new in the marketplace, new Chinese immigrants have limited knowledge and experiences regarding the market and products therein. They try to learn consumer skills, knowledge and behaviours that are appropriate and generally accepted in the new market (Kang and Kim, 1998; Penaloza, 1989). Their purchase information is limited because they are unfamiliar with the market information with regard to where to buy and from whom to buy. Also, most of the products they purchased in their home country are probably unavailable in the new marketplace now (Doran, 1994; Penaloza, 1994). Language barriers prevent new Chinese immigrants from gathering information in English advertising and evaluating the varieties and qualities of the products and services. Hence, they tend to rely on the opinion of their family, friends, in-group members and even ethnic media (Doran, 1994; Lee and Tse, 1994; Ownbey and Horridge, 1997). However, these opinion providers also have limitations with their marketplace knowledge and language; even though they may have lived in Canada for a longer time period. Therefore, new Chinese immigrants are not really able to take full advantage from the opinions of their in-group members. They may be more likely to exhibit the original consumption habit in their home country.

On the other hand, Canadians resemble the “ethical individualistic” cultural orientation
which is described as having an internal locus of control, self-actualized and free to make their own choices (Waterman, 1981). Canadian consumers are more likely to believe in their power and effort in the consumption setting, because of their individualistic orientations, more knowledgeable and experienced about the marketplace. They make their own decisions in purchasing and are more willing to fight for their consumers’ rights by asking for refunds and exchanges for product failure and dissatisfaction, and practicing complaining behaviours. Therefore, new Chinese immigrant consumers tend to score lower in the internality of consumer locus of control scale than local Canadians.

In the service industry, new Chinese immigrant consumers were also expected to have lower levels of internal locus of control than their Canadian counterparts (Hypothesis 2a). Language barriers may be the most serious disadvantage new Chinese immigrants suffer during their service consumption, as communication between consumers and service providers is highly needed (Yen, Gwinner, and Su, 2004; Zeithaml, 1981; Zeithaml, Parasuraman, and Berry, 1985). Consumers have to provide sufficient information and co-operation for effective service delivery and satisfactory service “products”. New Chinese immigrants may still have the problem of getting sufficient information and earning experiences about the services from their friends, family, and in-group members. It is hard for them to evaluate services accurately (both pre-purchase and post-purchase) and set up their expectation to the “products” because of the intangibility of the service, their lack of consumption experience in the new country, and their language barriers
(Ostrom and Iacobucci, 1995; Parasuraman, Berry, and Zeithmal, 1988). For Canadian consumers, on the other hand, it is much easier for them to gather market information about services and communicate with the service representatives at the service encounter because of their comprehensive information about the market and services. Hence, new Chinese consumers tend to have lower levels of internal service locus of control than their Canadian counterparts.

New Chinese immigrant consumers scored higher in their belief in powerful others than Canadian consumers in this study (Hypothesis 3a). However, the finding showed that the differences between them were insignificant and Hypothesis 3a was not supported. The belief in powerful others has been rooted in Chinese communities because of the influence the “Five Bonds”, which means respecting seniors and believing in “powerful” people (Hwang, 2000). Generally, Chinese tend to obey and listen to the opinions from those powerful others as it is assumed that their information is rarely wrong because of their comprehensive experience and higher status in the hierarchical system.

In Canada, many services are provided and funded by the government. Canadian consumers do not have many alternatives for switching service “brands” or service providers. For example, 95% of all students from kindergarten to Grade 12 education are attending government-funded schools (Council of Ministers of Education, 2002) and the government is responsible to pay students’ tuition fees for their parents at such public
schools. Most of the public postsecondary institutions are funded by the federal and provincial governments too. In the Canadian healthcare system, all provinces and territories fund the administration and delivery of health care services with subsidies from the federal government (Health Canada, 2004). From these previous examples, it is expected that powerful others (federal and provincial governments) have played an important role in the service provision in Canadian society. The influence of government in providing services to its people may help explain the high levels of the belief in powerful others among Canadians. This may contribute to the differences between Canadian consumers and new Chinese immigrant consumers in terms of the belief in powerful others insignificant and the unfavourable result in Hypothesis 3a.

It was found that new Chinese consumers believe more in luck in service consumption, compared to Canadian consumers (Hypothesis 4a). The Chinese man-to-nature orientation induces people to submit to an individual’s fate (Hwang, 2000; Lowe and Corkindale, 1998). The “predetermined” outcomes would not be questioned, but just accepted. They tend to have lower expectations on their purchases and they weigh luck as a crucial part of their success and failure (Darke and Freedman, 1997). As new Chinese immigrants have difficulties in consuming services in terms of language barriers, service information, and consumption experiences, they have a great deal of uncertainty in their choice of service providers and the outcome. On the other hand, Canadians’ experience with the service market provides them sufficient information to evaluate service
alternatives and various service providers. They are able to make their service choice by themselves and willing to complain about the service dissatisfaction. Hence, Chinese consumers (especially new immigrants) tend to believe more in luck in their service consumption than Canadian consumers do.

The regression findings suggest that there are mixed and negative results of the hypotheses with regard to the relationship between locus of control orientations, acculturation levels to Canada and the length of staying in Canada (Hypotheses 1b, 2b, and 4b were not supported while Hypothesis 3b was partially supported). Indeed, the present Chinese sample in this study may be too narrow in terms of years lived on Canada (Mean = 2.83 years, SD = 1.92 year, ranging from 1 to 10 years) to explore major differences in levels of acculturation. Out of 60 usable Chinese respondents, only 4 of them (5%) have been living in Canada for more than 7 years. 78.3% of the samples (47 respondents) have been in Canada for just 3 years or less. Most of them should still be categorized as new Chinese immigrants. Such skewed distribution of the years lived in Canada prevented the researcher from having a comprehensive understanding of acculturation effect, whether or not it is treated as a single variable, on locus of control orientation.

Lee and Tse (1994) examined the media habits of Chinese immigrants in Canada and found that Hong Kong immigrants did not change the amount of media consumption
right after their immigration into Canada. At first (within the first seven years), they still exhibited their original media habits in their home country. Later, they tend to consume more of the host country media than ethnic media, starting to adapt more local culture. However, their media consumption habits changed gradually, much slower than what the authors had predicted. This implies that acculturation is a slow and gradual process even after many years of immigration (Lee and Tse, 1994; Penaloza and Gilly, 1999; Wallendorf and Reilly, 1983) and verified the mixed and opposing results of the hypotheses regarding to the relationship between locus of control and the acculturation levels to Canada of Chinese consumers.

Taken as a whole, the results of this study provide more understanding on how locus of control differs among new Chinese immigrants and Canadian consumers. Generally, it could be said that in the Canadian marketplace (in both general consumption setting and more specifically, the service setting), new Chinese immigrant consumers have a more external locus of control orientation. They rely more on the opinions and suggestions from their in-group members because of their lack of marketplace knowledge and consumption experience (Doran, 1994; Kang and Kim, 1998; Lee and Tse, 1994; Ownbey and Horridge, 1997). This leads to the uncertainty in new Chinese immigrants’ choice of consumption and outcome. Their emphasis of consumption would be most likely to be placed on group affiliations of the products (brand name, manufacturer, country of origin), but not the product attributes (Doran, 1994; Kang and Kim, 1998; Lee
and Tse, 1994; Ownbey and Horridge, 1997; Penaloza, 1989, 1994). They tend to attribute the success and failure of their purchases to luck and practice less in complaint behaviours for product failure.

In the service setting, language obstacles and insufficient market information induce new Chinese immigrant consumers to rely on powerful others (i.e. the service providers) as the main determinant on how good and satisfactory the service they received is. On the other hand, Canadians and consumers from other individualistic societies have a more internal locus of control orientation in general. They tend to make purchase decisions from a more internal locus of control perspective and believe more in their effort when purchasing many products. Their life-long experience in the Canadian marketplace provides them relatively more information and knowledge than new Chinese immigrants. Their emphasis of consumption will be likely to be placed on product features, but not the brand name and the country of origin of the products (Doran, 1994; Hui and Triandis, 1986; Lee and Tse, 1994; Penaloza, 1989, 1994). Also, they are more willing to ask for refunds or exchanges for their unsatisfactory purchases (Curren and Folkes, 1987; Ostrom and Iacobucci, 1995; Waterman, 1981; Yen, Gwinner, and Su, 2004).

With regard to the acculturation to Canada, it is a slow process for Chinese immigrants that such adaptation to a new culture may not be in effect until staying in Canada even for a decade. At first, new immigrants may be holding to their original cultures because of
the unfamiliarity of the new country (Doran, 1994; Lee and Tse, 1994). They tend to form a minority community and highly participate in the in-group, acquiring information and knowledge about the new culture and more specifically, the new marketplace (Doran 1994; Lee and Tse, 1994; Ownbey and Horridge, 1997). They may rely on their traditional attitudes and still exhibit their original modes of consumption. After a few years of adapting to the new culture and new lifestyle, Chinese immigrants tend to be more acculturated to Canadian culture. Their accumulation of marketplace knowledge and consumption experience allows them to make more purchase decisions by themselves. However, the speed and intensity of the new Chinese immigrants’ acculturation process depend on the interaction with the host culture and also their original culture, adaptive dimensions, demographic variables (age, gender, martial status, occupation, income, etc.), and psychological adjustments (Berry, 1980; Penaloza, 1989; Ward and Kennedy, 1993a, 1993b).
6. Limitations and Future Research

Much like other studies, there are some characteristics in this study that limit the generalizability of the findings. They need to be considered while evaluating the results and their applicability to the population. Although these limitations restrict the usefulness and applicability of this research, they provide opportunities for future research, either to develop new ideas or expand the existing idea presented in this study and increase the generalizability of the findings.

Firstly, the Cronbach’s alpha of SLOC sub-scale: Luck (0.68) was below the general acceptance level of 0.7. It implied that the internal consistency was neither reliable nor consistent with the alpha value and that the items might not be measuring the same thing (i.e., belief in luck). It would be beneficial for future researcher to include more items in the SLOC (Luck) sub-scale or develop a new scale to measure the belief in luck in service consumption experience.

Secondly, in this study, most usable Chinese questionnaires (52 out of 60) were from Mainland China. This sample group primarily represents the consumer behaviours for immigrants from the Mainland. They do not represent immigrants from Taiwan and Hong Kong, who have been influenced by Western culture for decades. It would be interesting to explore if there is any difference in locus of control beliefs among immigrants from Mainland China, Taiwan and Hong Kong immigrating into Canada.
Thirdly, the survey instruments were administrated in English. It was uncertain whether participants’ responses would be different if Chinese groups had completed the survey in Chinese. Even though the questionnaire had been pretested by five Chinese students (both graduate and undergraduate) before it was administered and some minor changes were made to the survey to make the wording clearer, the survey could be translated into Chinese for the ease of understanding of the survey statements and questions. The Chinese version of the survey should then be translated back into English by academic professors until a tentative transition is reached.

Fourthly, generalizability of the results may be limited because of the student sample and small sample size in this study. Variance in the sample is relatively limited and does not facilitate comparisons across some of the demographic characteristics, such as age, education level, and most importantly, years lived in Canada. Hence, the analysis of acculturation levels to Canada among Chinese immigrants towards their locus of control beliefs could not be performed. Using non-student respondents with a larger variance of demographic characteristics and a larger sample size are needed for future research on this topic. Also, to have a better idea on how immigrant consumers behave differently in consumption settings, four groups of respondents should be included in the study: English speaking Canadians, long-time Chinese immigrants, short-time Chinese immigrants, and Chinese residents, similar to what Lee and Tse (1994) did in their study. With regard to Lee and Tse’s (1994) study, acculturation is a gradual and slow process
and thus it may not affect immigrants’ behaviours even after many years of immigration.

The present study is limited due to the limited range of years lived in Canada and resulting limited acculturation levels. Future research could employ a longitudinal study for the same population followed over a long period of time or depth interviews with respondents to generate insights into the lives of ethnic immigrants. Therefore, how the acculturation to new culture proceeds and how it affects immigrants’ behaviours and lifestyle, especially in marketplace, could be seen.

Online shopping has been a growing phenomenon worldwide. Based on the data from Global Reach, there were 729.2 million Internet users worldwide as of March 2004 and spent more than US$1.5 trillion on buying goods and services online (Global Reach, 2004). Therefore, the importance of real consumption and service encounters had been somewhat diminished and in some cases replaced by the “virtual” encounter online. Also, widespread use of Internet implied easy and convenient information search globally, regardless of language obstacles and an unfamiliar marketplace for Chinese new immigrants. Hence, the findings of this study may have to be restated and explore the impact of online shopping towards consumers’ locus of control orientation.

Consumers have to pass through three stages (pre-purchase, purchase, and post-purchase) when making purchases in general (Berkowitz, et al., 2003; Sommer, Barnes, and Stanton, 1995). Pre-purchase includes information search and evaluation of alternatives;
Purchase behaviours are about consumers when and from whom to buy; and post-purchase behaviours are post-purchase evaluation and complaint behaviours for product failure. However, this study did not take purchase decision process into account. It would be useful if future research focuses on developing locus of control scales specifically for each stage of the process to investigate any cultural gender, age, or even educational of consumers.

This study was tested in Lethbridge with Chinese vs. Canadian consumers. Future research could be replicated with different cross-cultural respondents, such as in a few bigger cities (Vancouver, Toronto and Montreal) and with other ethnic groups of immigrants. This could help marketers understand more about the emerging and growing Asian minority markets in Canada.
7. Conclusion and Managerial Implications

The main purpose of this research was to investigate the difference between Chinese immigrants and Canadians’ locus of control orientation in both the general consumption and more specifically service settings. Moreover, the role that acculturation plays among new Chinese immigrants with regard to locus of control orientations are also examined. This study provides new insight into the understanding of the immigrant consumers' behaviour. It shows that acculturation to a new culture is a gradual and slow process that new immigrant consumers tend to exhibit their traditional lifestyles and consumption patterns at the first few years of immigration. Because of their external locus of control orientation and minor adapting influences on new culture and individualism, they rely more on the opinions and suggestions from their family, friends, and in-group members, but less on themselves. They may attribute their consumption outcomes and choice availability to powerful others or luck.

The present research has extended to the investigation of the relationship of the internal and external (powerful others and luck/fate) locus of control constructs. The results of this study not only demonstrated the usefulness of the concept of locus of control orientations, which taps in to human nature, but also increased the understanding of the two cultures. The descriptive knowledge gained from an interpretive investigation of a minority population has not been widely studied. This research has added data to a growing information base on marketing habits in the multinational context. Moreover, as
service marketing has been emphasized in marketplace in the last decade because of the increased international competition, economic slowdown, and fierce product differentiation among competitors, this study contributes to the existing body of literature in service industry related to the investigation cross-cultural differences (Bradley and Sparks, 2002; Johnson and Mathews, 1997; Surprenant and Solomon, 1987). It recognizes the fact that individual differences and cultural differences play key roles in the formation of consumer perceptions and evaluation of the consumption encounters as well as in their reaction to a negative experience.

From a managerial perspective, understanding the relationship between locus of control orientations and consumer behaviour and reactions at consumption and service encounters has been useful for them to evaluate implications for effective delivery of products and services as well as handling dissatisfied consumers and their complaint behaviours, especially consumers from subculture groups. The results of this research offer some guidelines for the delivery of effective customer service and the management of customer expectations and perceptions.

New immigrants should be taken seriously. The rapid growth of their population and their purchasing power make them an attractive segment in Canada. It is important to realize that new Chinese immigrants are very different from average Canadians and they have their own unique sub-culture. Marketers should begin by understanding the minority
culture and adapting their marketing efforts to the varied sub-cultures in Canadian marketplace. The ethnic markets can be effectively explored if marketers start learning the needs and demands along with the composition of each immigrant population.

Because of the unfamiliar new marketplace and products for Chinese new immigrants, they tend to consume the same products (if available) they have been using in their home country. Canadian marketers could educate Chinese new immigrants about the benefits and how they can be better off by using their products. An effective promotional way is to provide free trials to these newcomers to reduce their monetary risk and concern of embarrassment (Doran, 1994; Kang and Kim, 1998; Ownbey and Horridge, 1997). Once the product has been adopted within the minority communities, positive word-of-mouth communication takes place and thus helps reaching an expanding Chinese minority market. These will warrant more promotional efforts on gaining favourable opinions among those opinion providers.

Managers benefit from this study as they become aware that language barriers are likely to inhibit the delivery of a service and product purchases. They may be better off if the products and services are advertised in both English and Chinese. Also, promoting products using Chinese spokespersons (in-group members) and stressing value and luck may be a means of better reaching new immigrants. Managers have to ensure that product information is easily and readily available, given the increasing availability of media
choice (e.g. Internet). Moreover, managers may need to be aware of the fact that among
new Chinese consumers, a bad purchase or service experience will not result in complaint
behaviours. They may transfer their negative experience and opinions within their in-
groups. Further, in-group opinions are very important to Chinese consumers. Managers
may need to actively solicit opinions regarding the product or service experience. For
example, they should provide 1-800 toll-free number or provide postal forms on which to
make complain, in order to enable unsatisfactory consumers to voice their concerns
easily. Also, the received complaints should be handled with care for building a long-
term relationship with the customers.
8. References


Lao, R. C. (1977). Levenson’s IPC (Internal-External Control) Scale: A Comparison of


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9. Appendices

9.1. Consumer Locus of Control Scale (CLOC)

Using a scale of 1 to 5 describe your feeling about the statement.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th></th>
<th></th>
<th></th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

1. If I buy an unsatisfactory item, I try to do something about it.
2. Sometimes when I don’t know much about a product, I may decide which brand to buy just by flipping a coin.
3. There are times when I see something and I can’t control myself but buy it.
4. Usually, when I plan to buy something, I can find the best deal.
5. Making good buys depends on how hard I look.
6. There have been times when I just could not resist the pressure of a good salesperson.
7. Being able to wait for sales and looking for information about the item has really helped me get good deals.
8. I have often found it useful to complain about unsatisfactory products.
9. It’s hard for me to know whether or not something is a good buy.
10. Getting a good buy depends mainly on my being in the right place at the right time.
11. If I get cheated during shopping, it’s usually my own fault.
12. It’s meaningless for me to try too hard to discover differences in quality between products.
13. Usually I make an effort to be sure that I won’t buy a poor product when I go shopping.
14. When I’ve been cheated during shopping, it’s because I was just unlucky.
15. I find that it’s meaningless to shop around because the products are nearly the same everywhere.

16. In my experience, getting poor service comes from not knowing how to get good service.

17. I have been helped a great deal when I have read Consumer Reports or product-testing magazines.

18. When I buy something unsatisfactory, I usually keep it because complaining doesn’t help.

19. Sometimes I can’t understand how I end up buying the kinds of things that I do.

20. I am vulnerable to bad deals, no matter how hard I try to prevent them.

9.2. Service Locus of Control Scale (SLOC)

Using a scale of 1 to 7 describe your feeling about the statement.

Strongly
Disagree

1 2 3 4 5 6 7

Strongly
Agree

1. The quality of service I receive will be mainly determined by the service policy of the particular company.

2. Service is a matter of chance: There is not much that the average customer like me can do about that.

3. Usually, the effort I put in will affect the service I receive.

4. The service I get will depend on whether management is taking responsibility for service standards.

5. The standard of service I receive will be partly a reflection of my ability and personal characteristics.
6. I expect that luck will always play a role in the quality of service I receive.

7. My own skills and abilities will make a big difference to the standard of service I receive.

8. I know I will get better service if I really try hard.

9. It is almost impossible to predict service standards: I just hope that on any particular day my “lucky number will come up”.

10. The quality of service I receive will be influenced by the amount of personal effort I put in.

11. How well management does its job is critical to the service I will receive.

12. I expect that by working hard the in service encounter, I will influence the service I receive.

13. Whether I will get good service or not is just a matter of chance.

14. The service I receive will be determined by the people managing the place.

9.3. Asian American Multidimensional Acculturation Scale (AAMAS)

9.3.1. AAMAS – Chinese (Mainland China/Taiwan/Hong Kong)

Using a scale of 1 to 6 describe your feeling about the statement.

<table>
<thead>
<tr>
<th>Not</th>
<th>Very Much</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Cultural Identity

1. How much do you feel you have in common with Chinese culture
2. How much do you interact and associate with Chinese culture
3. How much do you identify with Chinese culture
4. How much would you like to interact and associate with Chinese culture
5. How proud are you to be a part of Chinese culture
6. How negative do you feel about Chinese culture

**Language**

7. How well do you speak Chinese (Mandarin or Cantonese)
8. How well do you understand Chinese (Mandarin or Cantonese)
9. How well do you read and write in Chinese
10. How often do you listen to music or look at movies and magazines from Chinese societies (Mainland China/Taiwan/Hong Kong)

**Cultural Knowledge**

11. How knowledgeable are you about the Chinese culture and traditions
12. How knowledgeable are you about the Chinese history
13. How much do you actually participate in Chinese traditions and keep its holidays

**9.3.2. AAMAS – Canadians**

Using a scale of 1 to 6 describe your feeling about the statement.

<table>
<thead>
<tr>
<th>Not Very Much</th>
<th>Very Much</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

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Cultural Identity

1. How much do you feel you have in common with Canadian culture
2. How much do you interact and associate with Canadian culture
3. How much do you identify with Canadian culture
4. How much would you like to interact and associate with Canadian culture
5. How proud are you to be a part of Canadian culture
6. How negative do you feel about Canadian culture

Language

7. How well do you speak English
8. How well do you understand English
9. How well do you read and write in English
10. How often do you listen to music or look at movies and magazines from Canada

Cultural Knowledge

11. How knowledgeable are you about Canadian culture and traditions
12. How knowledgeable are you about Canadian history
13. How much do you actually participate in Canadian traditions and keep its holidays

9.4. Demographic Information

a) Gender:
   M _____   F _____

b) Martial Status:
Single ______ Married ______ Others (Please specify) _______

c) Your age: _________

d) Your Nationality:

Canadian ______
Chinese (Please specify either Mainland China, Taiwan or Hong Kong) ______
Others (Please specify) _______________

e) Years Lived in Canada: _______

f) Are you living with your family: _____ or alone/with your roommates: _____

g) Are you planning to stay in Canada after finishing your studies: Yes____ No____

h) Country Birthplace: ____________

i) Annual Income Level:

$0 - $5,000 _____ $5,001 - $10,000 _____ $10,001 - $15,000 _____
$15,001- $20,000 _____ $20,001- $25,000 _____ $25,001 or above _____

j) What program you are studying at the University of Lethbridge: ____________