Chinese Relationship Management: A Qualitative Study of Banking in New Zealand

Introduction

Today's banking environment is characterised by long-lasting customer relationships between banks and customers (Yang 2012). These relationships offer a route to sustainable competitive advantage in a sector in which competing banks offer similar ranges of financial products and only small variations in interest rates are available. While produce differentiation in the sector is easily duplicated, strong customer relationships are more difficult to build. Customer relationship management (CRM) strategies are therefore used by banks to gain sustainable competitive advantage and to support long-term profitability (Ballantyne 2005; Dibb and Meadows 2004). Building and maintaining relationships with customers so that they can be developed into advocates for the bank is, therefore, a strategic priority for many banks (Baumann, Burton, and Elliott 2005; Ndubisi 2007).

Developing successful relationship in this complex and volatile market requires banking service providers to focus on several key areas. One such area involves leveraging customer relationships to gain privileged information about these individuals' preferences (Tam 2007). Relationship marketing is the route through which banking service providers achieve the necessary customer closeness. The personal relationships and friendships that customers develop with service personnel have been shown to have a significant effect on consumer loyalty. The rationale is that friendship can stimulate good communication, reinforce commitment, and increase consumer loyalty to the seller or organisation. Friendship involves more than simply being aware of a friend's feelings and their significance for the relationship's development

(Mavondo and Rodrigo 2001). In a commercial perspective, friendship has the potential to shape the interpersonal relationship between the consumer and service provider, and can influence interpersonal trust, relational bonding, perceived value, relational commitment, and loyalty responses.

In an era when the influence of cultural orientation in relationship building has become ubiquitous in globalised markets, a greater understanding is needed of the influence of cultural values on how these relationships are formed and the role of friendship within them. Previous studies have examined the connections between relationship factors and loyalty responses (Chiu et al. 2005; Dash, Bruning, and Guin 2009; Jones, Taylor, and Bansal 2008), but deeper insights are needed into the interplay between these factors in different cultural contexts. The cultural differences between the East and the West (Hofstede 2007), lead to an expectation that Confucian and Western influences on relationship development may vary. This paper examines these issues within the context of relationships between Chinese immigrants and service providers in their host country of New Zealand. The study develops a new CRM framework and advances thinking on how relationships involving acculturating Chinese consumers develop towards financial services providers. The framework is distinctive because it captures both cognitive and affective pathways, enabling a deeper and more realistic view of these relationships and their implications. A better understanding of the differential relationship drivers for these consumers' commitment and loyalty to the service provider is revealed, offering new insights into Confucian cultural influence in this context. The consequences for banks and other service providers seeking to build long-term relationships with migrant consumers are explored.

Conceptual Background

The Chinese in New Zealand

New Zealand (or Aotearoa in Maori) is an island country situated in the south-west Pacific

Ocean, which comprises two main islands and numerous smaller islands including the North and

South Islands, Waiheke, Stewart/Rakiura, and the Chatham Islands. New Zealand has

approximately 4.4 million people, consisting of a diverse multicultural population of European,

Maori, Asian, Pacific peoples, and other ethnic groups (including New Zealander, Middle

Eastern, Latin American, and African). The multicultural population and significant proportion

of international immigrants, make New Zealand an ideal location for this research. The country

record of receiving immigrants is long-standing (Li 2007). In the 2013 Census, Asians made up

the third-largest ethnic group, with 11.8 percent of the population. Of this group, Chinese

immigrants were the largest sub-group, numbering some 171,411 people (Statistics New Zealand

2013).

The initial impetus for Chinese migration to New Zealand was the Gold Rush, after the

precious metal was discovered in Otago in the early 1860s (Ng 1993). In the early 1950s, the

controversial issue of the integration or assimilation of Chinese into the wider New Zealand

community was raised. Since the size of the Chinese community was relatively small, there was

a view that Chinese immigrants should *assimilate* into the host culture. Although the Chinese

had made some progress towards assimilation, most were reluctant to give up their strong

cultural ties and obligations to their parents and their community. Consequently, the Chinese

culture was not submerged during the era of settlement (Ng 1993; Ip 2006).

'New Chinese' is a term to describe post-1986 Chinese incomers from the PRC, Taiwan,

Hong Kong, Malaysia and elsewhere (Ip and Friesen 2001). These individuals are mostly urban

folk, without the local connections, extended family, or extensive Chinese social networks of the Kiwi-Chinese. Both Kiwi-Chinese and New Chinese exhibit a basic *Chineseness* (Moloughney 2005) and share the same Confucian values and virtues. However, the New Chinese have formed a plethora of associations and societies defined by their country of origin or driven by their religious interests (Ip 2006). This community retains numerous Chinese cultural heritages, but also those with the potential to integrate well into New Zealand society. Their socialisation, or resocialisation, extends to the adoption of host country consumption attitudes and behaviours, thus providing an opportunity for marketers.

The Chinese Consumer Socialisation Process

A long socialisation and learning journey is often the norm for an individual who migrates to a new country. Ethnic products or services may not available in the new country, thus forcing a change in consumption style. Given the differences in cultural values, an immigrant has to learn or acculturate to the new cultural environment.

In the processes of globalising consumer cultures, traditional Chinese values and Western values coexist in Chinese social and business practices (Jin, Yu, and Kang 2013; Zhu, Nel, and Bhat 2006). Cultural conflict is noticeable between these two mind-sets and cultural values when Chinese migrate to a country in which Western culture is dominant. Western individualist and Eastern collectivist cultures are distinct in a number of ways. While individualists then to be more *instrumental* and *universalist* in their values, collectivists are more *expressive* and *particularist* (Hofstede 2001; Triandis 2000). Therefore, while Western cultural values are widely accepted and influential in today's Chinese consumption and business practices, Confucian values are also maintained and are reflected in conventional Chinese consumption and business practices.

Adaptive control thought (ACT) theory and consumer socialisation theory provide a theoretical foundation for research on acculturating consumers who might be influenced by knowledge acquisition and socialisation processes in the development of Chinese migrant relationships with service providers. Anderson's (1983) ACT theory suggests that an immigrant's consumption behaviour in a new country follows a sequence of learning processes. An immigrant first acquires and uses the declarative knowledge through general problem-solving skills, and then integrates and compiles that knowledge through 'condition–action pairs' to efficiently solve his or her consumption-related problems efficiently.

Research shows that social networks are foundational elements in the acculturation process of immigrant consumers (Peñaloza 1994; Wang and Tian 2014). According to consumer socialisation theory, consumers are influenced through various 'socialisation agents' (Parsons and Bales 1955) including family, friends or peers, public mass media, and institutions (Moschis 1987). Socialisation agents are significant and dominant individuals or groups that exert "strong direct influences on the socialization outcomes" (Luedicke 2011, p. 233). In consumer acculturation, there are two important competing sets of socialisation agents or 'consumer acculturation agents' (Peñaloza 1994) which represent social "forces involved in the consumer acculturation process" (O'Guinn, Lee, and Faber 1986, p. 579). These dual agents consist of one agent from the host culture and another from the culture of origin (Peñaloza 1994, p. 49). Peñaloza (1989, p. 116) conceptualised consumer acculturation agents as "those individuals or institutions who serve as sources of consumer information and/or models of consumption behavior". The possible outcomes of consumer acculturation are either that an acculturating individual accepts or rejects the host culture, or that the individual retains or rejects the original culture (Luedicke 2011; Peñaloza 1994).

Relationships from the Chinese Perspective

The development of business relationships is different in the West than in the East (Arias 1998; Leung et al. 2005). While Westerners tend to first build business relationships and then attend to their personal relationships; those from the East, such as the Chinese, prioritise their personal relationships and build business relationships at a later stage. For Chinese people, business is also an opportunity for social interaction and business and personal relationships are closely entwined (Ambler 1994; Wang 2007). Consequently, understanding personal relationships in Chinese society is an essential element in understanding Chinese relational behaviour.

Literature on Chinese consumers indicates that in commercial relationships, friendship is significantly related to *guanxi* (Leung et al. 2005) because *guanxi* concerns "interpersonal or social relationships that pertain to business" (Mavondo and Rodrigo 2001, p. 112). There is a need, therefore, to establish the value of additional relationships - such as a commercial friendship (Price and Arnould 1999) or a personal relationship with a service employee - to the business relationship associated with the company (Grayson 2007; Rosenbaum 2009). Although social influences are important for the development of loyalty, an understanding of the influence of personal relationships or commercial friendships on service loyalty is largely absent in the ethnic consumer and cross-cultural services literatures (Han, Kwortnik Jr., and Wang 2008; Mavondo and Rodrigo 2001). This paper addresses this gap, revealing the importance of these social and personal elements of relationships between ethnic consumers and service providers.

Methodology

Convergent Interviewing

The study used convergent interviewing, a qualitative diagnostic technique for gathering

exploratory information (Jepsen and Rodwell 2008; Rao and Perry 2003). This approach involves explicit procedures for designing, conducting and analysing a series of in-depth interviews with experts or experienced people (Dick 1990). The researcher is able to refine the questions after each interview, using new questions for later interviews to converge on relevant issues. A process of 'successive approximation' generates continuous refinement or modification of method and content (Dick 1990). The approach's strength is that it combines an *unstructured content of topics* through the collection of broad information without specific questions; a *structured interview process*, involving rigorous data collection and analysis procedures; and a *dialectical process* in which an interviewee's views converge and diverge after each interview (Dick 1990; Jepsen and Rodwell 2008).

The convergent interview approach is most appropriate when researchers have doubts about the kind of information to collect or the questions to include (Carson et al. 2001). Much of the content is left unstructured. The researcher asks a series of pre-determined questions so that the interviewee determines the information that they share. This systematic approach extends to sampling, data collection, and to the interpretation of each interview, helping to improve efficiency and reduce bias. Convergent interviewing can satisfy the criteria for internal validity, external validity, reliability and objectivity (Guba and Lincoln 1994; Marshall and Rossman 1995). Using a structured approach to the selection of participants and for the identification of issues, ensures that the convergent interviews highlight only the most pertinent issues within a population. A series of 'successive approximations' arise from a continuous refinement of process and content, leading to the progressive reduction of uncertainty. This structured, progressive approach enables the researcher to refine the content and process of each interview moving from broad research issues at the start to more focused issues at the end of the process.

The first step is to define the issues of interest required to address the research problem by incorporating theoretical assumptions into the process by which the interview questions are refined. First, several propositions about the parent theory, in this case bank relationships and loyalty, were adapted to frame the initial probing questions. New insights or issues of interest that emerged from the first round of interviews enabled questions for the subsequent round of interviews to be determined. The continuous process of question refinement and literature re-examination continued until consistency about the issues of interest was achieved and inconsistent views explained. Finally, the theoretical framework was developed and a conceptual model was proposed.

Sampling and Interview Procedure

Selection of the optimal sample size for interviews depends on what the researcher finds, how these findings are applied, and the level of available resources for the interviewing process (Marshall and Rossman 1995; Patton 1991). Two guidelines exist: a minimum sampling size of 12 people should be sought; and the appropriate sample size is determined when agreement is reached on the issues of interest (Dick 1990; Jepsen and Rodwell 2008).

Following guidelines that the sample should be heterogeneous, relevant and purposeful (Dick 1990), a small diverse sample of ethnic Chinese from Dunedin who had lived in New Zealand for some time was recruited. For the purposes of this study, ethnic Chinese refers to any person of Chinese descent who are New Zealand citizens or permanent residents. A snowball sampling approaches was adopted, whereby interviewees recommended others to take part in the study. This sampling approach was deemed appropriate because the target sample was small and participants needed to be knowledgeable about the subject (Patton 1991).

Twelve convergent interviews were conducted. The interview questions focused on their

views and experience of their banking service provider, and their relationship with the bank and its service personnel. This interviewee list was scrutinised to ensure representativeness of the Chinese community in terms of age, gender, educational background, country of birth, duration of residence, and length of relationship with their main bank. Participants deemed likely to know most about the areas in question were interviewed first. For example, the first interview involved the interviewee with the longest residential status in New Zealand, an individual who had been with their main bank for 12 years. All interviews were conducted at the interviewee's office or home. A brief explanation of the research and reassurance of anonymity was given.

Four rounds of interviews, with three interviewees per round, took place. The following opening question was used to provide a broad starting point and to ensure a relaxed start to the interviews: "*Could you tell me your experience of dealing with your main bank?*" Interviewees were then asked a series of probing questions concerning: the distinctive or unique qualities of their main bank; the most important factors in their relationship with their bank; issues that cause them concern and areas that need improvement; the banking services they most often use; and their preferred language for communication with banking service staff.

By the end of the second round of interviews, additional questions had been added to the interview schedule concerning: their professional and personal relationship with banking service staff; and issues likely to affect their decision to switch or remain with their bank.

Results and Discussion

Following the data gathering, each interview was transcribed and interpreted in a summary report format. Tables 1 and 2 summarise the characteristics of the interviewees and the issues resulting from the interviews. Interviewees had been resident in New Zealand residency for between 5 and

15 years. Half had an average of 5 years' residency, which is consistent with previous research highlighting the short migration history of most Chinese newcomers (Ip and Friesen 2001). Their ages ranged from 22 to 46 years, with the majority being female. Four were from China, four from Taiwan, two from Malaysia, and two from Brunei. Their relationship with their main bank ranged from 3 to 12 years. Interviewees were generally well-educated: the least qualified had a high school diploma, while the most held a doctoral degree.

[Insert Table 1 about here]

[Insert Table 2 about here]

Guanxi or Personal Relationships

The relationships that individual bank customers have with their banking consultant and bank vary. Most regarded their personal relationship with their banking consultant as important, especially in terms of facilitating, developing and maintaining the customer relationship. As **Interviewee D** explained:

> *Generally, the relationship with a good bank consultant is more important than the bank itself. Banks are struggling with good service and good rate, [and you] rarely ... see one bank to have both good.*

This response highlights the value that bank customers attribute to good personal relationships with the bank's service personnel (Barnes 1997; Colgate 1996), and reinforces that successful relationships are supported by high quality service personnel (Dibb and Meadows 2004).

Several participants in the interviews in rounds two, three and four, highlighted the importance of *guanxi* or interpersonal relationships in business practices among Chinese consumers. In the words of **Interviewee G**:

My banker allows me to exceed lending or credit limit prior [to] any legal document. In China, the person you know is more important than what you know. You can't get priority if you don't know or have guanxi with the person in charge.

This is consistent with previous findings that *whom you know*, and *having guanxi* or *pulling guanxi* are inevitable when dealing with Chinese people (Chen and Chen 2004; Mavondo and Rodrigo 2001; Sin et al. 2005). Social relationships and friendship also prevail in personal banking, suggesting that some immigrants wish to receive a similar service experience than they have enjoyed in their native country. As **Interviewee I** commented:

I enjoyed the personalised service from my banker in China. My banker treats me as a friend rather than a customer, so our relationship not simply a customer and a bank, ours is friendship. I definitely will use the bank for long time.

Communication in different cultures can sometimes lead to misunderstanding, as **Interviewee K** explained:

My banker does not really understand my actual needs. In Taiwan, my banker is very friendly, helpful, and knows me very well, so I always receive more personal care in addition to the financial aspect needs.

The discrepancy between this interviewee's experiences of banking in New Zealand and in Taiwan is readily apparently, particularly in terms of the quality and friendliness of their personal relationship with the banking service provider. These findings are in line with previous studies that Chinese relational behaviours are closely associated with social and personal relationships or *guanxi* (Buttery and Wong 1999; Leung et al. 2005).

When asked about the distinctive or uniqueness of their own bank, all interviewees perceived few product differences between providers. The key difference was in the interest rates

offered, rather than in product innovation, as these interviewees explained: "*I can't see any distinction between banks' offerings, only the interest rates are vary*" (**Interviewee E**), "*nothing new in products or services and no product innovation*" (**Interviewee F**), and "*very similar, not much different among them*" (**Interviewee J**). In fact, there is minimal variation in interest rate charges or in the product range available to banking customers (Papasolomou-Doukakis 2002). Rather, the most likely variations are in the quality of customer service, which greatly depends on bank personnel (Dibb and Meadows 2004). As customers view employees as personifying the service on behalf of the company (Hansen, Sandvik, and Selnes 2003), the performance of service personnel is essential to building successful relationships in this industry (Paulin, Ferguson, and Payaud 2000).

These interviews took place at a time of change in the banking sector, with trends towards the increasing use of online services. While interviewees acknowledged the conveniences of online banking services, they also had reservations. Several interviewees felt that Internet banking did not remove the need for more traditional interactions with service personnel, as the following quotes reveal: "*bank online system couldn't simply replace the quality of customer service or personal care provided by dedicated service personnel*" (**Interviewee D**) and "*emphasising IT in service delivery might remove our relationships with the bank; rather I prefer person-to-person or face-to-face communications*" (**Interviewee G**). This cautions against the overuse of online banking without access to offline customer service and support. For example, "*online banking is cost effective way that allows us do our banking anytime and anywhere, but it also hinder the relationships build over time with the bank staff, customer care, and rapport that we need*" (**Interviewee K**). The same reservations were identified in relation to telephone banking, **Interviewee B** claiming: "*I would prefer speak to my*

banker directly and solve my problems immediately, not always divert my call to 0800 toll-free

service personnel." **Interviewee C** commented:

> *My banker knows my details and all information about my banking transactions. If I can*
>
> *go direct to my banker, I don't need to spend time to repeat my concerns with the staff in*
>
> *call centre*.

Face-to-face contact is therefore important for Chinese customers, because they experience a higher level of trust from such interactions than when using online or telephone banking. **Interviewee D** captured these views, stating that, "*some important queries such as financial advice about personal loan, housing mortgage, and investment process should explain in detail through face-to-face*." Furthermore, facial expression and eye contact play a role in increasing the trustworthiness of the banker. **Interviewee A** spoke of being able to "*see the sincerity and trustworthy of the banker through his face expression or eyes.*" These findings highlight the importance of human interaction and personalisation in bank relationships for this group, reinforcing previous research findings that some bank customers prefer face-to-face interactions, communications or personal contact with service personnel (Guenzi and Georges 2010; Pesämaa and Hair 2007; Zhu 2009).

Trust in the Service Provider

Trust is the trustor's attitude towards the trustee, such as confidence in or expectation of the trustee's competence, goodwill, ethical behaviour, or future actions (McAllister 1995; Rousseau et al. 1998). Personal relationships with service personnel are integral to establishing interpersonal trust with the banking service provider, with interpersonal trust acting as a social tie that connects customers and service personnel (Mayer, Davis, and Schoorman 1995). As **Interviewee C** commented, "*I trust my personal banker because she understands my concerns,*

since I have account with this bank." Others identified staff expertise as the main factor of trust in the bank, for example "*financial investment involves many uncertainty and unforeseen risks, how can I trust the banker if she can't provide a detail and good analysis about my investment?*" (**Interviewee L**), and "*I feel I can get genuine advice from the person I trust*" (**Interviewee I**). These findings are consistent with previous trust research indicating that trust is a multidimensional concept comprising cognitive and affective dimensions (Johnson and Grayson 2005; Lewis and Weigert 2012; Rempel, Holmes, and Zanna 1985).

Bonding Towards the Service Provider

The concept of bond or bonding is a core relationship marketing objective that has become a central concept in the study of consumer relationships (Williams, Han, and Qualls 1998; Wilson 1995). Bonds develop over time between exchange parties. These bonds can act as a powerful disincentive for switching suppliers (Arantola 2002). The costs associated with switching bank, low service and transaction fees, low interest rates for loans, contract agreements, and advance online banking services are the main reasons customers stay with a bank (Dash, Bruning, and Guin 2009). Six interviewees identified such costs as a reason for remaining with their bank even in the face of attractive rival offers. "*I don't want to switch to other bank because I have contract agreement with current bank. Switching is very time consuming and also costly because of the high termination fees,*" commented **Interviewee I**; while **Interviewee J** mentioned that "*changing to a new bank can't guarantee it will provide good customer service, I rather keep my current relationship with my banker.*" These findings are consistent with other bank studies indicating that switching costs are associated with structural and social bonds that are vital in customer relationship building and retention (Chiu et al. 2005).

Consumer Perceived Value

Loyalty studies indicate that satisfaction alone is no longer sufficient to bond customers; and that customers base their loyalty on the perceived value of a particular offering (Hu, Kandampully, and Juwaheer 2009; Neal 1999). These judgements are made by comparing the perceived benefits and costs that are associated with a product, service or relationship (Babin, Darden, and Griffin 1994; Overby and Lee 2006). The findings show that interviewees particularly value the efficiency of bank staff, their interpersonal skills, and the convenience of the relationships. Thus, initiatives built around perceived value attributes to prevent customer defection and enhance loyalty are a potential source of competitive advantage (Parasuraman 1997; Woodruff 1997). These findings are consistent with previous research indicating that consumer perceived value is a multidimensional construct that incorporates hedonic value and utilitarian value (Voss, Spangenberg, and Grohmann 2003).

Targets of Commitment and Loyalty Responses

In a financial services context, consumers may be committed to two entities: the bank or the customer service personnel (Jones, Taylor, and Bansal 2008). Commitment to these service providers positively influences the loyalty responses of consumers, such as repurchase and recommendation intentions (Keiningham et al. 2007). If satisfied with the service being provided, all of those interviewed said they would be willing to use word-of-mouth to recommend their bank to their family and friends. This intention to recommend to other customers is consistent with the results of previous studies by Kaynak and Kucukemiroglu (1992) and Liu, Furrer, and Sudharshan (2001). Most interviewees who expressed such satisfaction were also prepared to buy additional products or use more services in the future. Having a long-term relationship with service personnel was identified as a loyalty factor in the

interviews. As **Interviewee A** stated:

> *I was with my bank about 15 years since I migrated to Dunedin. I am happy with the*
> *service offered by my banker, so have no intention to switch other bank. It takes long time*
> *to build relationships with new banker.*

However, the influence of parents is also an important factor in Chinese decisions, as these two interviewees revealed: "*I used the bank mainly my parents' accounts were there and they recommended it to me*," (**Interviewee E**); and "*I wanted to stay with my bank because this is my first bank account opened by my father*" (**Interviewee L**). These findings are consistent with acculturation literature which suggests that low-acculturated Chinese consumers tend to depend on reference groups and personal sources as would be expected in Chinese collectivist culture (Doran 2002). Although bank interest rates were deemed important to interviewees, few regarded price factors, such as low transaction fees or low interest rates for loans, as a main consideration for loyalty to their bank.

The findings reveal that Confucian principles are deeply entrenched in the Chinese migrants' relationship orientation and in their commitment to the service provider. The principles of 'giving-face', reciprocity or returning favour, having *guanxi* or pulling *guanxi*, and preserving personal relationship in social harmony are deeply rooted for less acculturating or traditional Chinese. Interviewees' relational behaviour is found to be significantly affected by their interpersonal trust towards and their relational bonding with the banking service provider, and the perceived value received from the relationship. Chinese are therefore more likely than Western people to value interpersonal relationships and interpersonal communications with service providers (Zhu, Nel, and Bhat 2006).

The findings confirm the significant influence of Chinese traditional values on business

practices in New Zealand. In addition, traditional Chinese values and Western values coexist in the consumer acculturation context. This study adopts a bi-dimensional model of acculturation (Ogden, Ogden, and Schau 2004) and identifies two distinct acculturated Chinese groups:

1) High-acculturated or Western-influenced Chinese consumers who seek greater involvement with their host society.

2) Low-acculturated or Confucian-influenced Chinese consumers who largely wish to maintain their cultural heritage and identity within the host country.

In sum, we make the following propositions:

Proposition 1: For high-acculturated Chinese consumers, professional relationships, cognitive trust, structural bonding, and utilitarian value have positive impacts on the service provider commitment and economic-based loyalty behavioural intentions.

Proposition 2: For low-acculturated Chinese consumers, *guanxi* (personal relationships), affective trust, social bonding, and hedonic value have positive impacts on the interpersonal commitment and social-based loyalty behavioural intentions.

The insights gained from the convergent interviews are used as the basis for a customer management framework for targeting Chinese migrant consumers as shown in Figure 1 and Figure 2. Table 3 considers the implications for financial services organisations and makes recommendations for managing relationships and marketing to Chinese consumers.

[Insert Figure 1 about here]

[Insert Figure 2 about here]

[Insert Table 3 about here]

Conclusions, Implications, and Limitations

Against a backdrop of increasing immigration, the need for a better understanding of subcultures (Burton 2002; Emslie, Bent, and Seaman 2007) and their consumer behaviour is increasingly recognised (e.g. Rajagopalan and Heitmeyer 2005). As the commercial importance of ethnic groups rises, businesses must ensure their products and services are suitable for these consumers. Sekhon and Szmigin (2009), for example, speak of the need to reach out to these ethnic consumers, while Ogden, Ogden, and Schau (2004) call for studies which explore the effects of acculturation on consumer behaviour. This study reinforces the importance for marketers to be culturally conscious when marketing to and communicating with people of different cultural origins. The CRM framework that captures cognitive and affective pathways, advances thinking in terms of how relationships involving acculturating consumers are developed. The study provides valuable managerial implications in relation to how relationships are established and maintained with the Chinese migrant population. While not representative of all Chinese consumers in New Zealand, the findings provide a useful snapshot of Chinese migrant consumer behaviours and their relationship perceptions. Relational embeddedness is shown to play an important role in establishing and developing service relationships with Chinese migrants. Low-acculturated Chinese consumers have stronger interdependent self-concepts and rely more on social networking; so service providers must consider the influence of friends and family members or in-group members on the buying choices of this group. For example, sales, promotional, or relationship strategies could target the entire family and friendship social networks of lower acculturated consumers.

This research also provides insights for practitioners seeking to design effective segmentation strategies for this specific ethnic group. Understanding the influence of consumer

acculturation on ethnic consumer behaviour provides insights for ethnic marketing strategies, for the positioning of products or services, and for advertising to this group. New Zealand statistics show that Chinese ethnic groups continue to increase in size, relative affluence and level of education. Consequently this group offers great prospects to New Zealand practitioners and businesses in general, and financial business in particular. Drawing on the ideas in Figures 1-2 and Table 3, managers could formulate CRM strategies that are oriented more specifically to the characteristics and financial needs of Chinese consumers, in accordance with their cultural orientation and levels of acculturation.

This study has highlighted the importance that Chinese consumers attach to strong interpersonal relationships with bank service personnel. Several implications are indicated for human resource management within the sector. Firstly, culturally-specific staff training and development could enable service personnel to deliver tailored service to ethnic consumers which better meets their needs and is more likely to result in relationship loyalty. Secondly, it may be appropriate for customer service staff to differentiate the service they offer based on the acculturation level of different customers. This provision might include a greater emphasis on interpersonal communications with low-acculturated groups than with high-acculturated groups. While this implies that a more flexible model of service is required, providing differential service levels to certain groups could be more effective in the long term.

The contribution of the research is significant not only for scholars in marketing, but also for scholars in other disciplines, such as social psychology, ethnographic, immigration, and human resource management. International immigration has resulted in many culturally plural societies in long-standing immigrant receiving countries, such as Australia, Canada, New Zealand, and USA. Scholars from a range of disciplines need to develop a deeper understand the

underlying factors that affect the behaviour of these groups. Indeed, the current research found significant differences in relationship building among people of the same cultural or ethnic group. Through this intra-cultural research focused on consumer relational behaviour, New Zealand minorities and immigration agencies could better understand the underlying motivation of ethnic groups' relational behaviour within the context of acculturation and consequently improve their social and immigration policies.

The use of qualitative methods has enabled an in-depth examination of the banking service relationships of Chinese migrants, the present findings should be interpreted in light of the study's limitations. The sample used in this study is small, and second is that the study was conducted in a single country New Zealand among a subset of the population of Chinese. These limitations raise a question about the generalisability of findings both within and across minority societies.

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Table 1. Characteristic of the Chinese Interviewees.

Round	Interviewee	Gender	Age	Education Level	Country of Birth	Resident Status in New Zealand (Years)	Length with the Main Bank (Years)
1	A	Male	46	Doctorate	Malaysia	15	12
1	B	Female	38	Master's degree	China	10	8
1	C	Male	36	Master's degree	China	10	7
2	D	Female	37	Polytechnic diploma	Taiwan	7	6
2	E	Male	25	Bachelor's degree	Taiwan	7	6
2	F	Female	22	High school diploma	Taiwan	7	4
3	G	Female	35	Master's degree	China	5	4
3	H	Female	26	Bachelor's degree	Brunei	5	4
3	I	Female	35	Master's degree	China	5	4
4	J	Female	26	Bachelor's degree	Brunei	5	4
4	K	Female	36	High school diploma	Taiwan	5	3
4	L	Male	22	High school diploma	Malaysia	5	3

Table 2. Summary of the Result of Convergent Interviews.

Issues of interest	Interviewee's agreement/disagreement											
	Round one			Round two			Round Three			Round Four		
	A	B	C	D	E	F	G	H	I	J	K	L
Relationship important:												
- Bank relationship	√	√	√	√	√	√	√	√	√	√	√	√
- Professional relationship*	-	-	-	√	√	x	√	√	√	√	√	√
- Interpersonal relationship (or *guanxi*)*	-	-	-	√	√	x	√	x	√	√	√	√
Other issues in addition to relationship:												
- Trust	√	√	√	√	√	√	√	√	√	√	√	√
- Service satisfaction	√	√	√	√	√	√	√	√	√	√	√	√
- Convenience	√	√	√	√	√	√	√	√	√	√	√	√
- Efficiency of bank staff	√	√	√	√	√	√	√	√	√	√	√	√
- Bank staff interpersonal skills	√	√	√	√	√	√	√	√	√	√	√	√
- Online banking	√	√	√	√	√	√	√	√	√	√	√	√
- Low service and transaction fee	√	√	√	√	√	√	√	√	√	√	√	√
- Low interest for loan	√	√	√	√	√	√	√	√	√	√	√	√
- High interest for savings	√	√	√	√	√	√	√	√	√	√	√	√
- Costs for switching bank**	-	-	-	-	-	-	√	√	√	√	√	√
- Contract agreement**	-	-	-	-	-	-	√	√	√	√	√	√
- Word-of-mouth/recommendation	√	√	√	√	√	√	√	√	√	√	√	√
Areas which should be improved:												
- Improve bank efficiency	√	√	√	√	√	√	√	√	√	√	√	√
- More caring	√	√	√	√	√	√	√	√	√	√	√	√
- Improve follow-up after service	x	√	x	x	x	√	√	x	x	√	√	√
- Provide customisation	√	x	x	x	√	X	x	x	√	√	x	√
- Use multiple languages for communication	x	√	√	√	x	√	√	x	√	√	√	√

Note:
Issues of interest = A summary of key issues generated from the interview process.
√ = Interviewee confirmed the issue of interest.
x = Interviewee disconfirmed the issue of interest.
- = Not applicable for the issue because these issues had not been raised at this round.
* The particular issues/questions arose at the first round of the interview process.
** The particular issues/questions arose at the second round of the interview process.

Table 3. Implementing Customer Management.

Model component	Implementation guidance
Professional relationships	**Meaning:** Professional relationship refers to an individual customer's service relationship with that banking consultant. **Implementation:** Service providers should enhance their relationships with high-acculturated Chinese consumers by providing professional and quality services.
Guanxi (personal relationships)	**Meaning:** *Guanxi* refers to relationships or social connections based on mutual interests and benefits. Establishing a personal relationship with low-acculturated Chinese consumers is crucial in banking relationships. These relationships play an important role in Chinese collectivist culture, influencing the commitment to service providers who supply service. **Implementation:** Service providers should reinforce personal relationships or fully utilise *guanxi* with Chinese consumers by ensuring the same service employee deals with them for each service encounter.
Cognitive trust	**Meaning:** Cognitive trust is a customer's confidence or willingness to rely on a service provider's competence and reliability. **Implementation:** Service providers could emphasise professionalism of service employees to demonstrating the expertise and knowledgeable image of service personnel to cognitive-based customers.
Affective trust	**Meaning:** Affective trust is the confidence one places in a service provider on the basis of feelings generated by the level of care and concern the partner demonstrates. Affective trust is closely related to interpersonal liking, and likeability has been identified as an important influence in the trust building process and is a significant predictor of customer emotional attachment. **Implementation:** Service providers could emphasise interpersonal and face-to-face communications and the likeability of service personnel to increase consumer interpersonal trust. In addition, trust-building strategies should be focused on consumers' trust in and friendship towards the service provider.
Structural bonding	**Meaning:** Structural bonding is the degree to which certain ties link and hold a buyer and seller together in a relationship as a result of some mutually beneficial economic, strategic, technological, or organisational objective.

	Implementation: Structural bonding strategies could be used to prolong business relationships by providing value-added services or economic benefits, such as discounts on service charges, special rates for multiple products or services (i.e., product or price bundling), and flexible repayment schemes for price sensitive customers.
Social bonding	**Meaning:** Social bonding is the degree of mutual personal friendship and liking shared by the buyer and seller. Social bonding leads to shared values, trust building, decreased opportunism, and greater cooperation in a reciprocal relationship through the process of social interaction. Social bonding is vital in Chinese society because it is a low-trust culture and it recognises the influence of personal friendship or emotional factors on business relationships. **Implementation:** Service providers could use social bonding strategies to enhance their interpersonal relationship with low-acculturated customers by providing social benefits. This could involve ensuring personal recognition by service personnel, encouraging the development of familiarity and friendship building between the service personnel and customers.
Utilitarian value	**Meaning:** Utilitarian value is an overall assessment or judgement of functional benefits and sacrifices. **Implementation:** Service providers could confer utilitarian products with hedonic benefits to enhance customers' aesthetic aspect values in addition to functional benefits.
Hedonic value	**Meaning:** Perceived hedonic value is an overall assessment or judgement of experiential benefits and sacrifices. Hedonic value relates to an individual's experience of the multisensory, fantasy, and emotive aspects of services or products. This finding indicates the importance of hedonic value in Chinese consumers' advocacy or word-of-mouth behaviour. Loyalty responses are significantly influenced by the consumer's perceived hedonic value resulting from social benefits. **Implementation:** Service providers should design social relationship strategies to create or enhance consumers' social values, or develop hedonic products to create emotional arousal and provide affective benefits or value.
Service provider commitment	**Meaning:** Service provider commitment (employee commitment) is the psychological force that binds the customer to the maintenance of the relationship with the person in the role of service provider.

|	
	Implementation: Service providers should encourage service personnel to build on professional relationships with high-acculturated Chinese customers.
Interpersonal commitment	**Meaning:** Interpersonal commitment is the psychological force that binds the customer to the maintenance of the relationship with the person in the role of friend or acquaintance. Customers' friendships with service personnel foster their affective attachment and feelings that enhance loyalty. **Implementation:** Service providers should encourage service personnel to build on personal relationships or commercial friendships with low-acculturated Chinese customers.
Loyalty responses (economic and social behavioural intentions)	**Meaning:** Customer loyalty is the enduring psychological attachment of a customer to a particular target of commitment, as a consequence of consumer commitment. It incorporates measures of social behavioural intentions (e.g. advocacy and positive word-of-mouth) and economic behavioural intentions (e.g. repurchase and retention). **Implementation:** Service providers must take into consideration the influence of friends and family members or in-group members on the buying choices of this group, as well as the effect of word-of-month communications among them. Sales, promotional, or CRM strategies could target the entire family and friendship social networks of low-acculturated Chinese consumers. In contrast, high-acculturated Chinese could be targeted with similar marketing strategies to those used for mainstream customers.
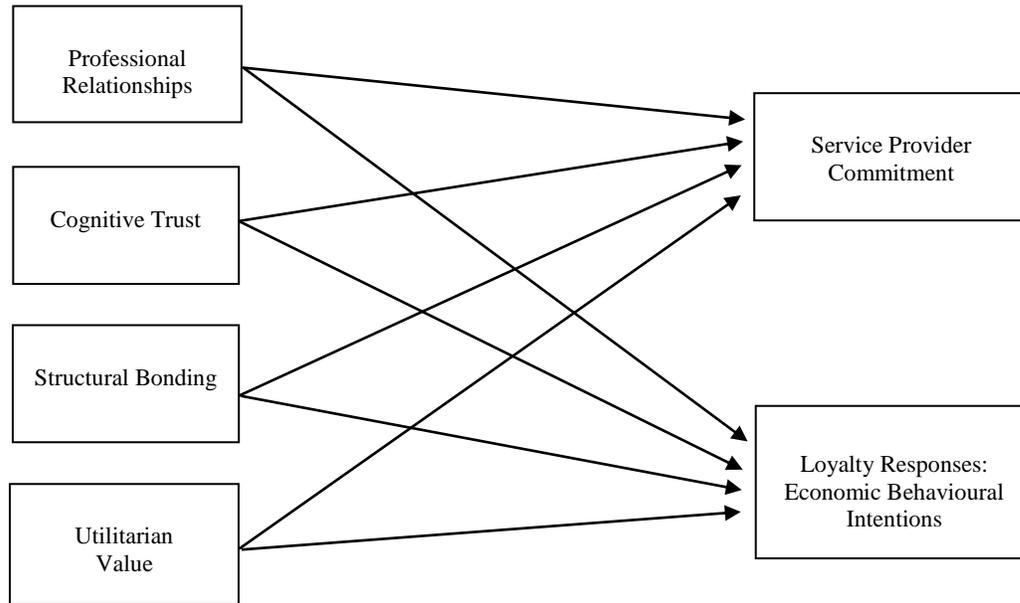
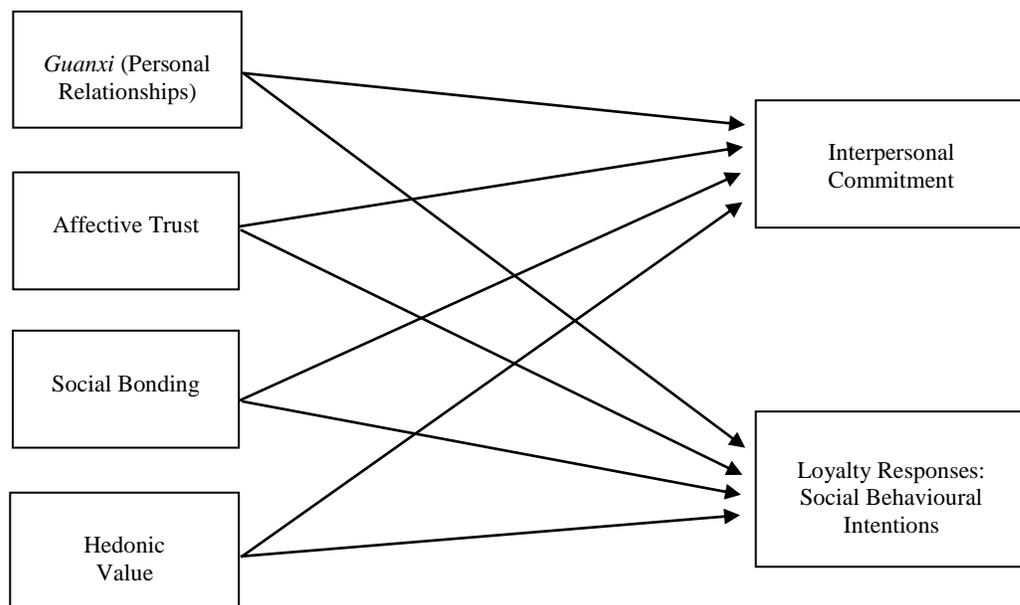**Figure 1.** Conceptual model of high-acculturated Chinese relationship model.

Figure 2. Conceptual model of low-acculturated Chinese relationship model.