

Graduate School - Master Degree Project in Marketing and Consumption

**Chinese Cross-Border Online Shopping through
Agents from Sweden –
An Exploratory Study of the Determinants of
Satisfaction and Repurchase Intention**

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Chinese Cross-Border Online Shopping through Agents from Sweden: An Exploratory Study of the Determinants of Satisfaction and Repurchase Intention

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Abstract

This study focuses first on identifying the main characteristics of the seldom researched particular type of Chinese cross-border online shopping, Daigou, in which Chinese consumers purchase foreign products through commercial-oriented agents living abroad (Sweden in our study). Such findings came from a series of pre-studies including interviews with two agents in Sweden and two customers in China, non-participant observations of the two agents' WeChat¹ accounts, and netnographical investigation of customer feedbacks on one agent's Taobao² online shop. They show the central role of the agent and the direct person-to-person interaction between agent and customers. Further, they uncover a favorable image of Sweden among Chinese consumers who shop Swedish products through Daigou.

Based on the findings from the pre-studies and literature review, two models were developed which examine how satisfaction respectively repurchase intention are influenced in the context of Chinese cross-border online shopping through agent in Sweden. A web survey was carried out in order to test the two models. Results show that although trust in the agent, country image and perceived social value were found to be all positively and significantly influencing both satisfaction and repurchase intention, their importance emerged to be different. For satisfaction, trust in the agent is the most important and country image the least important determinant; while for repurchase intention, country image was found to be the most important and trust in the agent the least important determinant.

From a theoretical perspective, our research fills up the research gap of this ever-growing consumption behavior among Chinese consumers, which has not yet been paid attention to and develops the definition of retail agent. From a practical perspective, the results from the quantitative study could be useful for Swedish retailers/producers who seek to extend their customer base in China but doesn't want to take risks and high investments of a traditional market entry.

Keywords: China, Sweden, cross-border online shopping, Daigou, customer satisfaction, repurchase intention, trust, country image, perceived social value, susceptibility to interpersonal influence.

¹ WeChat is a popular Chinese mobile application. For an explanation of the application which has an important function in the communication between agent and consumers, please refer to the appendix.

² Taobao is the biggest Chinese e-commerce platform.

1. Introduction

From the relationship marketing perspective, customer retention is much more important than customer acquisition, since maintaining long-term relationships with their customers helps companies to maximize their profits in times of increased competition in the (online) business environment (Shaneish & Sheth, 2014). In this regard, customer satisfaction emerges to be important for many companies to be measured at the customer level and to be understood, especially in terms of why customers are satisfied (Larivi`ere *et al.*, 2016). However, satisfaction is no all-time accurate predictor of actual consumer action and purchase behavior (Chi & Qu, 2008). Thus, a complementary indicator of repurchase intention that reflects customer loyalty (Kim *et al.*, 2012a) and the customers' intention to return to the same agent (Wu *et al.*, 2014) stands out.

Although there are lots of studies researching the determinants of satisfaction and repurchase intention in the online shopping context (e.g. Ha, 2011; Mosavi & Ghaed, 2012), a specific type of online shopping remains untapped, that is, cross-border online shopping through commercial-oriented agents in China. Such kind of cross-border online shopping through agent is called Daigou, which means “purchasing on one’s behalf” in Chinese. The main reason that we think this particular type of online shopping is worth researching is due to its distinct characteristic of involving person-to-person (customer-to-agent) interactions/communications; in contrast to person-to-platform (customer-to-online shop) interactions existing in most cases of ordinary online shopping. Moreover, this leads to the need of finding constructs that might influence satisfaction respectively repurchase intention in this particular context of online shopping through agent from a foreign country.

Cross-border online shopping is an ever-growing market in China (McKinsey, 2016; Hanser & Li, 2015) and had a volume of 150 billion CNY in 2014 (Iheima, 2015). In 2013, there were about 18 million customers involved in cross-border online shopping; this figure was estimated to be doubled in 2018 (199IT, 2014). In general, there are two types of Chinese cross-border online shopping that can be distinguished, Haitao and Daigou. Haitao is a Chinese term that is specifically used to describe online shopping through e-/m-commerce platforms of retailers that operate in foreign countries (Liu *et al.*, 2016). Haitao differs from ordinary online shopping in that it extends online shopping from the domestic market to the foreign market. Daigou, on the other hand, although also involving online shopping from foreign markets (like that in the Haitao case), such shopping is carried out through the help of a commercial-oriented agent who usually locates in the country where products come from and is familiar with, for instance, the products available in that market. Since the Daigou customer (in China) usually doesn’t locate in the same place as his/her agent (foreign country) does, their interactions/communications are usually carried out through the e- and m-platforms Taobao and WeChat. That is why even if Daigou involves person-to-person interactions/communications, it is still categorized as online shopping.

Daigou originates from offline cross-border shopping around 2005 which later became a common practice among Chinese consumers. The emergence of Daigou was encouraged through favorable demographic and economic changes in the Chinese society which enabled people to spend more money on consumption (McKinsey, 2016). At the starting age, it was relatives and friends living or traveling abroad who bought foreign products on behalf of Chinese consumers and brought them back to China (Iheima, 2015). The creation of the e-commerce platform Taobao in 2007 (Ying, 2016), gave Chinese cross-border shopping a new online channel. It did not only enable connecting consumers from all over China with (foreign) retailers but also facilitated the contact between consumers and commercial-oriented purchasing agents living abroad (Bloomberg, 2014). This period marks the beginning of

Daigou in its online form, which is the subject of this study. The flourishing of Daigou started around 2008 when the infant formula scandal (Waldmeir, 2010) burst. It significantly altered Chinese consumers' consumption choices; away from domestic products to opting out for foreign alternatives (Custance *et al.*, 2012; China Daily, 2008), due to their ever increased anxiety and concern about product safety and authenticity. Ever since, when it comes to products and brands, Chinese consumers lack trust in nationally produced goods and instead prefer buying foreign counterparts (Schjøll, 2016; Analysys, 2015).

Higher levels of uncertainty and risk are acknowledged to be involved in online shopping (e.g. Kim *et al.*, 2012b). Such uncertainty and risk are even more prevalent in China not just because of the aforementioned infant formula scandal, but there is also a huge problem with counterfeits circulating all over the market. Even worse, fraudulent customer ratings are popular on e-commerce platforms like Taobao (McKinsey, 2016; Zhang *et al.*, 2013). In view of such uncertain conditions, it is no surprise that trust is among the important factors that determine consumers buying decisions (Pavlou & Gefen, 2004); and was found to have an influence on the success of both e- (Pavlou *et al.*, 2007) and m-commerce (Kim *et al.*, 2012b; Luo *et al.*, 2010). Although trust was already analyzed in the context of Chinese cross-border online shopping by Liu *et al.* (2016), it was studied with the focus on identifying antecedence to trust instead of regarding trust as an influencing factor to customer retention related indicators, such as satisfaction and repurchase intention. Moreover, they never distinguish Haitao and Daigou in their study; and according to the analysis, the cross-border online shopping in their study is more Haitao alike than Daigou. In this regard, a research gap of how trust, especially how “trust in the agent” (when considering the dyad of customer-agent in the context of Daigou), influencing satisfaction and repurchase intention in this particular type of cross-border online shopping, Daigou, emerges to be filled.

Next to the distinct personal relationship between customer and agent mentioned previously, purchasing from another country than China is also one characteristic that distinguishes Daigou from ordinary online shopping. Therefore, this study puts the emphasis also on the country of origin of the products and investigates the context of products from Sweden in particular. In principle, Daigou enables Chinese consumers to *buy goods that are unattainable or too expensive due to the country's customs tariffs* (Tech in Asia, 2012), *gadgets that are not yet available in China, and ... niche offerings* (McKinsey, 2016). While the most bought products through Daigou are from the USA (27%), Japan (18%) and Canada (14%) (IPC, 2016); according to our pre-studies, there are also an estimated of 30000 Chinese consumers purchasing products from Sweden. Although Sweden is a small country on the global scale and also deviates far from China no matter in the sense of geographical location or culture, it was ranked as the second most innovative country in the world in 2016 (GII, 2016). Moreover, it has many famous consumer brands, such as IKEA and H&M, which are among those well-known Swedish brands that even an ordinary Chinese consumer who knows little about Sweden could come up with (according to our pre-study InC1). In this regard, how the country image of Sweden affects the Chinese customers' satisfaction as well as repurchase intention becomes interesting. Thereby, we include country image (Nagashima, 1970) as one product-inherent factor into our study which we understand in this context as an indicator of product quality (Han, 1989).

When looking through the cultural lens, China is acknowledged as a collectivist dominated country (Hofstede, 1991), in which to *avoid embarrassment or disapproval among their families or peers* is considered to be essential (Huang *et al.*, 2012, p. 141). In this regard, the third construct of perceived social value, which reflects a customer's perception of how other people perceived him/her (Sweeney & Soutar, 2001); and a fourth construct of susceptibility

to interpersonal influence, which shows a customer's willingness to accept another people's opinion (Bearden *et al.*, 1989) emerge to be relevant. Again, due to Daigou being an untapped area in academia, although having been researched in another context (e.g. Mosavi & Ghaedi, 2012; Lee & Ma, 2012), these two constructs have never been examined in the context of Daigou.

In general, from a managerial perspective, it is interesting to investigate how consumers experience the relationship with their agent and how it can be sustained. Such an investigation can yield insights not only for the Daigou agents, but also for foreign retailers operating in the Chinese market and for online retailers who want to attain Chinese customers, and want to understand why consumers choose shopping from Daigou agents instead of shopping through their already established selling channels.

From a theoretical perspective, although Daigou is an ever-growing consumption behavior among Chinese consumers and has received the attention from press and nonacademic articles (e. g. Les Échos, 2017; Tech in Asia, 2012), scientific investigation of this specific type of Chinese cross-border online shopping through agent is scarce or nonexistent.

Thus in our study, in response to Boeuf & Sénécal's (2013) request for more research on cross-border online shopping, we aim to fill in the research gap of this particular form of cross-border online shopping, Daigou, with the particular focus on investigating how trust in the agent, country image, perceived social value and susceptibility to interpersonal influence affect satisfaction respectively repurchase intention. Consequently, our research questions are formulated as following:

RQ1: What are the main characteristics of Daigou?

RQ2: Which factors contribute to customer satisfaction with the shopping experience from the same agent? and

RQ3: What drives consumers to repurchase Swedish products from the same agent?

This study is structured as follow: in Chapter 2, the role of the agent is interpreted from a theoretical perspective; then the country image of Sweden, which is the context of our study, is investigated; and finally the hypotheses for satisfaction respectively repurchase intention are developed. They originated from the literature review and our findings from a series of pre-studies, including interviews with two agents in Sweden and two customers in China, non-participant observations of the two agents' WeChat accounts, and a netnographical investigation of customer feedbacks on one agent's Taobao web shop. Subsequently, the method is to be presented in Chapter 3, which introduces both the pre-studies mention above and a web survey that targets the Daigou customers from 124 agents in Sweden. The survey results are introduced in Chapter 4. In Chapter 5 an analysis and discussion of the main characteristics of Daigou (RQ1) are to be presented first, followed by the analysis and discussion of how different factors influence satisfaction (RQ2) respectively repurchase intention (RQ3). Finally, in Chapter 6 the conclusions and implications; and in Chapter 7 the limitations and suggestions for future research are to be presented.

2. Theoretical Foundation and Hypotheses

2.1 The role of the Daigou agent from a theoretical perspective

In order to find the main characteristics of Daigou, we first look at this type of cross-border online shopping from a theoretical perspective. To begin with, we consider the role of the Daigou agent who is the central figure in the regarded type of cross-border online shopping,

since he/her is the person that directly faces both the foreign vendors and the end customers. Purchasing agents are majorly known from the business-to-business context, as the unit of a company that mediates between the company and its suppliers. In that context, the agent is responsible for negotiating, placing orders, and scheduling (Strauss, 1962). In contrast, Daigou agents operate on the business-to-consumer market and have end users as their customers. Furthermore, their tasks are much broader than those of an industrial purchasing agent, since they are independent service providers (Liu *et al.*, 2016) and entrepreneurs who don't belong to any company.

In the purchasing process, the cross-border online shopping agent acts as a middleman (Doyle, 2011), an intermediary who is between the producer or retailer and the Chinese consumers. On behalf of the consumer, the agent places an order from a retailer, forwards the transactions and arranges the delivery to China. Further, he/she is the contact person if questions from the consumer or retailer side arise and do the customer service. We find that the described tasks and the type of customers the agent deals with closely resemble the retailing setting. When applying a broad definition of retailing like the one by Kamath & Sauray (2016, p. 75), *all businesses that sell goods and services to consumers fall under the umbrella retailing*, to the case of Daigou, one can even classify the agents as retailers themselves. Furthermore, the responsibilities of a Daigou agent include all three selling related facets of retailing, stated by Peterson & Balasubramanian (2002). These facets encompass communication, transaction and distribution.

However, when following a more general definition of the term purchasing agent, it is also possible to classify Daigou agents into the agent literature. For this purpose, we refer to Brennan (1925, p. 53) who defines a purchase as *an acquisition of commodities ... for a price*; and an agent as *one who acts ... in the place of another by authority from him*. Therefore, we conclude that there is a duality, meaning that on the personal level Daigou agent's function resembles those of industrial purchasing agents, while from the market they operate in, their tasks and their customers, cross-border online shopping agents resemble retailers. Hence, we combine these two approaches in our study and define Daigou agents as retail agents.

2.2 The Country Image of Sweden

In the global mind, the country of Sweden has, for a long time, the image of being progressive, modern and innovative. Moreover, is said to having a 'model society' with a well-developed social system including excellent education and child care, and a good economy (Andersson & Hilson, 2009; SI, 2012). In global comparative studies between different countries, Sweden *earns high approval ratings on benchmarks such as democracy, anticorruption, peace and security, freedom of speech and gender equality* (SI, 2012). Furthermore, when it comes to products, we find that the worldwide success of Swedish retailers like H&M and IKEA created an understanding of a specific 'Swedish style' (Andersson & Hilson, 2009) which distinguishes Swedish products from other country's products in the eyes of consumers. In the context of marketing research, it was found for example that *IKEA succeeds globally while maintaining a strong Swedish brand image* (Usunier & Lee, 2005, p. 118), for instance, through their Swedish product names.

Due to this favorable global image of the Nordic country, we deem that it is interesting to research the country image of Sweden in the context of Chinese-Swedish Daigou, since there is a demand from Chinese customers to purchase Swedish product through Daigou agents.

2.3 Theory and Hypotheses

Satisfaction

Satisfaction is interpreted as the consumer comparing his/her actual experience to his/her previously formed expectations about a product or service (Zeithaml *et al.*, 1993). Following the outcome approach proposed by Grigoroudis & Siskos (2010), it is defined as a final situation or an end-state resulting from the consumption experience. Applied to the Daigou context, satisfaction is interpreted as the consumer's evaluation of his/her expectations of Daigou compared to the actual experience with the agent, which is formed after the whole purchase is completed.

Repurchase Intention

According to Wu *et al.* (2014, p. 2769), repurchase intention in the online context denotes *the consumer's subjective probability of re-patronizing an online store, and is the major determinant of buying action*. In the context of Daigou, we define repurchase intention as a customer's intention to stay with the same agent from Sweden; borrowing the words of Kaveh (2012, p. 5018), we analyze the *behavioral intention* of customers *to return to the same agent*. We further interpret repurchase intention as a reflection of customer loyalty (Kim *et al.*, 2012a).

Trust in the Agent

Within the marketing discipline trust is defined as *a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviors of another* (Rousseau *et al.*, 1998, p. 395; Singh & Sirdeshmukh, 2000; Kim *et al.*, 2012b). Kim *et al.* (2012b) summarize three dimensions of trust in new IT phenomena which are disposition to trust, structural assurance and trust beliefs. In this study, we apply the latter dimension of trust belief. It is interpreted as *the perception of the trustworthiness of the vendor* and is further disaggregated into the three components, *integrity, benevolence, and competence* (Kim *et al.*, 2012b, p. 243). Furthermore, this study follows Kaveh (2012, p. 5015) who states that trust is *especially important in relationships characterized by high levels of vulnerability and uncertainty*.

In this study, the construct "trust in the agent" is defined as the personal trust that consumers have towards their agent. It emerges to be important in the study of Daigou, due to the physical distance between the agent and the consumer and the impossibility to touch or see the product before the purchase. The distance and impossibility of seeing the good beforehand, are usually named among the risk factors of online shopping (e.g. Anderson & Srinivisan, 2003) and International shopping (e.g. Wang *et al.*, 2010). What is special for the context of Daigou, is the person to person relationship and the direct contact between the agent and the consumer, which could enhance the trust building. We suppose that if a customer hasn't built any trust in the agent, he/she would not enter their business relationship right from the start, and would instead refer to other agents or channels. Therefore, "trust in the agent" is a relevant construct to study when it comes to satisfaction and repurchase intention through Sweden-based cross-border online shopping agents. Considering the relationship between trust and satisfaction, this study follows a stream of research that finds that trust is an antecedent to satisfaction (Kaveh, 2012; Grewal *et al.*, 1999). We hypothesize that

H1a: *Trust (in the agent) positively affects satisfaction with the shopping experience from the same agent.*

Moreover, a customer's product or service experience might weaken or strengthen trust (Mosavi & Ghaedi, 2012; Yoon, 2002). We assume that any positive experience with the Daigou agent enhances the customer's trust. Therefore, for the case of repurchase, when a consumer has already bought products from the same agent several times before, we suppose that there were mainly positive experiences that increased the customer's level of trust. This assumption is in line with previous findings that empirically verify that there is a strong relationship between online trust and behavioral intent (Bart *et al.*, 2005), which may include, for instance, repurchasing from the same website (Mosavi & Ghaedi, 2012). Therefore, we hypothesize similarly for our case that trust belief in a particular agent might lead to repurchase intention with the same agent,

H1b: *Trust (in the agent) positively affects the intention to repurchase Swedish products from the same agent.*

Country Image

The concept of country image describes how a consumers' purchase decisions are affected by the impression he/she holds about the country of origin of the products (Pecher & Tregear, 2001); and vice versa, how a product's experience can lead a consumer to make conclusions about *the overall national image* (Han & Wang, 2015, p. 64) of its country of origin.

Nagashima (1970) defines country image as a particular picture, reputation, and stereotype towards products of a specific country. In that, on the product level, country image can evoke assumptions about specific features like the price or the quality (Laroche *et al.*, 2005; Han, 1989). In contrast, another stream of research connects country image with the consumer. Following Urbonavicius *et al.* (2011; Johansson, 1989) country image, like a customer's general evaluation of products, depend on the personal experience of a country.

In this study, country image is interpreted as trust in the products, and thus, a sign of Swedish products quality and authenticity. Moreover, it is assumed to be built through Daigou consumer's personal experience with Sweden. Understanding the producer country of Sweden as an indicator of products quality makes it necessary to investigate the construct "country image" as a potential determinant of satisfaction respectively repurchase intention in the case of Daigou. If a consumer finds that he/she is content with the quality of the purchased products, he/she will likely evaluate the product experience as positive (be satisfied), and keep repurchasing products from the same agent. These assumptions are in line with Boeuf & Sénécal (2013) who mention the importance of perceived product quality in the context of cross-border online shopping. Following we hypothesize,

H2a: *Country image positively affects satisfaction with the shopping experience from the same agent;*

H2b: *Country image positively affects the intention to repurchase Swedish products from the same agent.*

Perceived Social Value

Customer's perceived value can easily be confused with satisfaction. However, what distinguishes these two constructs, is their different occurrence in the purchase/consumption process. While perceived value is present during all stages of the purchase/consumption and can occur even without any purchase or use of a product or service, satisfaction can develop only after the finishing of the purchase/consumption (Woodruff, 1997; Hunt, 1977).

One of the most adopted definitions of customer perceived value is from Zeithaml (1988, p. 14), who defines it as the *consumer's overall assessment of the utility of a product (or service)*

based on perceptions of what is received and what is given. Sweeney & Soutar (2001) subdivide value into four different dimensions, which include an emotional, a social, a quality/performance and a price/value for money dimension. In this study, we adopt the definition by Zeithaml (1988) with the interpretation of social value by Sweeney & Soutar (2001). The latter is defined as *the utility derived from the product's ability to enhance the social self-concept* (Sweeney & Soutar, 2001, p. 211).

Considering the case of Chinese-Swedish Daigou, we find that while it is a comparatively convenient way of online shopping, cross-border online shopping through agent nevertheless, includes the previously described risks, which could limit the consumer's shopping pleasure. Thus, we assume that Chinese consumers who buy products from Sweden, do so in some part, to enhance the way they feel about themselves and the way other people perceive them. This is connected to the sign value (Gabriel & Lang, 2006) that Swedish products and the purchasing practice of purchasing through agent enclose. In that, purchasing Swedish products might be a way for Chinese consumers to received social approval by surrounding people, who have similar shopping behaviors.

Moreover, we follow the quality → value → satisfaction → loyalty (in this study repurchase intention) chain, which is a verified model in both offline (Hellier *et al.*, 2003; Wang, 2008) and online (Kim *et al.*, 2012a; Hsu *et al.*, 2014) marketing settings. In that, we suppose social value as the antecedent of customer satisfaction and repurchase intention. In this respect, we hypothesize,

H3a: *Perceived social value positively affects satisfaction with the shopping experience from the same agent*

H3b: *Perceived social value positively affects the intention to repurchase Swedish products from the same agent*

Susceptibility to Interpersonal Influence

Susceptibility to interpersonal influence is defined as *a consumer's need to identify or enhance one's image with significant others through the acquisition and use of products ... and/ or ... to learn about products ... by observing others and/ or seeking information from others* (Bearden *et al.*, 1989, p. 474). Since it is a personal trait, every individual's level of it differs. Even more, it is a trait whose interpretation differs among cultures. This makes it interesting to investigate in the context of Chinese consumer behavior. There is an interpretation difference of susceptibility to interpersonal influence between individualistic and collectivistic cultures (Huang *et al.*, 2012; Shukla, 2011). While among individualistic people susceptibility to interpersonal influence is usually interpreted as something negative and a sign of low self-confidence and confusion (Mittal, 2015), for collectivist individuals, this feature can be a means of integrating into their reference group and *avoiding embarrassment or disapproval among their families or peers* (Huang *et al.*, 2012, p. 141).

Applied to the Chinese-Swedish Daigou context, we assume that through their direct contact, agents and customers are among their mutual reference groups. Given the number of customers that each agent has, we further presume that his/her influence on the customers is stronger than the other way around. Thus, we suppose that in their repurchase decision customers are influenced by their agents. Hence, we assume that since the Daigou agent constantly sends product presentations in the group chats and through his/her news feed on WeChat, which are both followed by his/her customers (see Pre-studies Table 3-1), consumers are constantly encouraged to purchase new products and can't withstand the

intention to repurchase products from the same agent. A similar influence of reference groups was previously found for purchase decisions (Liu *et al.*, 2011; Harb & Smith, 2008). It is not (yet) researched for repurchase behavior. While susceptibility to interpersonal influence is researched in the offline context (Tang & Farn, 2005) and in the ordinary online context (Lee & Ma, 2012; Park & Lee, 2009), where it was found to influence a consumer's confidence in the vendor during a purchase decision (Ramus & Nielsen, 2005); it wasn't investigated in the context of cross-border shopping, neither online nor offline (Boeuf & Sénécal, 2013). Thus, we formulate a hypothesis,

H4: *Susceptibility to interpersonal influence positively affects the intention to repurchase Swedish products from the same agent.*

3. Method

As an exploratory study of this particular type of cross-border online shopping, that is Daigou, with the aim of identifying its main characteristics (RQ1), we carried out a series of qualitative studies (summarized in Table 3-1) targeted to two of the most representative agents (focusing on distinct product assortments) in Sweden and two ordinary Chinese cross-border online shopping customers.

Regarding our second and third research questions of finding out how customer satisfaction (RQ2) respective repurchase intention (RQ3) are affected in the Daigou context, a quantitative study of web survey of the samples (from those Chinese customers who usually purchase products through agents in Sweden) was conducted in order to test our proposed conceptual models for satisfaction respectively repurchase intention with survey data.

3.1 Qualitative Pre-studies

As mentioned in Chapter 1, although the phenomenon of Daigou has existed since the beginning of the 21st century, it has invoked little/none attention from academia. Thus, in order to obtain a better understanding of this particular consumption phenomenon Daigou, some relevant qualitative studies (with an *epistemological position*) focusing on the *examination of the interpretation of the phenomenon by its participants* (Bryman & Bell, 2015, p. 392) are deemed to be required.

Pre-studies of Agents

According to Analysys (2015), the products that Chinese customers usually buy through cross-border online shopping cover apparel and accessories (35%), milk powders (21%), cosmetics (18.5%), consumer electronics (15%), luxuries (4%), food (4%) and others (2.5%). Therefore, two agents whose product assortments cover almost all of the aforementioned categories are chosen for our study.

Agent1 is now one of the few largest agents in Sweden. The products that he helps the customers to buy are mainly packaged food, nutriments, fast-moving consumer goods (FMCG), and consumer electronics. Since he has a business presence both on Taobao and WeChat, a netnographic study of the customer feedbacks from his online shop on Taobao (NeA1; approx. one month from October to November in 2016) has been conducted in order to understand the underlying constructs that influence the customers' experience. Besides, Agent1's WeChat account has been followed up and observed (ObA1) since 2015, in particular, one of the group chats among Agent1 and his customers, his WeChat feeds as well as Weidian. In doing so, a closer and better view of how Agent1 interacts with his customers and how his agent business has developed are established.

Moreover, one main interview and a follow-up interview (INA1; approx.1.5 hours each) with him were carried out in a semi-structured form. Such an interview form does not only involve preplanned *topics, issues, or themes*, but also avoids the possibility of *missing important topics from being raised by the agents* (Eriksson & Kovalainen, 2008, p. 82). In doing so, the information and experiences about Daigou that are inaccessible in a published form could be reached (Eriksson & Kovalainen, 2008).

Although Agent2 is not as large as Agent1, she is included into our pre-studies due to her product assortments being relatively luxury instead of more daily required products, the one-hour semi-structured interview (InA2) with her and the non-participate observation of her WeChat account (the only channel for her to expose her business and communicate with the customers) in terms of her WeChat feeds and Weidian (ObA2; ca. five months from January to May 2017) provide us new insights of the phenomenon Daigou in terms of a more customized and more customer-intimate business model compared to what we obtained from the study of Agent1.

Pre-studies of Customers

On the other hand, in order to explore the main characteristics of Daigou, we have further conducted two unstructured interviews, with one ordinary Daigou customer (InC1; approx. two hours) who usually buy products through an agent in Sweden; and one ordinary Haitao customer (InC2; approx. one hour) who usually shops foreign products from foreign online platforms. The reason for adopting unstructured instead of semi-structured interviews here with the customers is that we have fewer sources to access and thus possess less knowledge of the Daigou customers than the agent. The unstructured interview has the merit of freely moving *the conversation in any direction of interest that may come up* (Eriksson & Kovalainen, 2008, p. 80).

Moreover, the purpose of conducting an interview with a Haitao (which is out of our studied scope) customer is that, besides Daigou, Haitao is the other kind of cross-border online shopping exists in China. In order to get a more comprehensive understanding of Daigou in contrast to Haitao, this interview with the Haitao customer is deemed to be necessary.

All of the pre-studies are summarized in Table 3-1.

Abbr.	Research Object	Method	Duration	Description/Summary
ObA1	Agent1's WeChat group chats, WeChat feeds & Weidian	non-participate observations	2015 ~ 2017	<ul style="list-style-type: none"> Focusing on packaged food, nutriments, FMCG, consumer electronics, etc. One of the few largest agents in Sweden; Company established in 2013; More than 2000 active customers now.
NeA1	Customer feedbacks of Agent1's Taobao online-shop	Netnography; non-participate observations	2016-10 ~ 11	
InA1	Agent1	Semi-structured interview	2 interviews; ca. 1.5 hours for each.	
ObA2	Agent2's WeChat feeds & Weidian	non-participate observations	5 months	<ul style="list-style-type: none"> Focusing on luxuries, apparel, accessories, cosmetics, etc.; One of the largest luxury-product agents in Sweden; Part-time agent next to her regular job.
InA2	Agent2	Semi-structured interview	Ca. 1 hour	
InC1	Customer1	Unstructured web-interview	Ca. 2 hour	<ul style="list-style-type: none"> An ordinary experienced Daigou customer shopping Swedish products

InC2	Customer2	Unstructured web-interview	Ca. 1 hours	<ul style="list-style-type: none"> An ordinary experienced Haitao customer
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Table 3-1. Summary of pre-studies (qualitative)

3.2 Web Survey

In order to test the two measurement models of assessing the relationships between four constructs (trust, perceived social value, country image and susceptibility) and repurchase intention; and three constructs (trust, perceived social value, and country image) and satisfaction, a quantitative approach of web survey was deployed. Since the survey method is regarded as *best adapted to obtaining personal and social facts, beliefs, and attitudes, and it also enjoys the merit of enhancing the generalizability of research findings* (Fang *et al.*, 2014, p. 415, Kerlinger 1973). However, the latter merit could be questioned in our study due to some sampling related issues, which will be further discussed in the following section.

Sampling

In general, a convenience sampling strategy is adopted due to the accessibility of the samples. According to Agent1, there are around 300 agents in Sweden, and each of them serves an estimation of on average 100 customers in China. From Agent1 and Agent2, we got the contact information of the other 122 agents in Sweden. These 124 agents (including Agent1 and Agent2) were contacted and asked to forward the link to our questionnaire to their customers. Theoretically, the questionnaire should have reached 12 400 customers, which accounts for an estimation of 41.3% (12 400/30 000) of all customers who usually buy Swedish products from the agents living in Sweden. According to the statistics available on the survey website, from the 19th April to the 14th May 2017, the questionnaire was accessed by 331 people in total, of which 104 completed questionnaires were received. These numbers indicate that approximately every third person who accessed the survey has answered it. However, that only 331 people of 12 400 indirectly contacted customers accessed the link of our survey seems a surprisingly low number. Maybe it is because not all of the directly contacted agents had forwarded the link; even those agents had forwarded the link, there is still possibility that not all of their customers really got the link. Unfortunately, due to the sensitivity of the customer data, we were not allowed to contact the customers by ourselves directly.

Evaluation of the Representativeness of the Samples

According to Collis & Hussey (2009), results gained by using a nonprobability sampling strategy are regarded as not generalizable, due to the questioning of the representative of the samples to the researched populations.

In our case, according to the demographic-related results from the web survey, three groups of customers emerge to be dominant. Within the 104 respondents, 71 are female which accounts for 68.3%. 75% of all samples are between 20 to 30 years old. Regarding monthly income, excluding 24 respondents who preferred not to disclose their income, 40% has 5 000-10 000 CNY, and 36% has above 10 000 CNY. That is, middle- and high-income samples account for 76%.

According to People.cn (2015), more females devote to the online shopping than males do and females account for 56% of all online shoppers in China, which is 12.3% less than the figures from our survey (68.3%). That we have much more female than male respondents in our survey might be explained by the product assortments of Daigou, apparel, accessories, food and nutriments etc., which are regarded as products that more probably to be bought by

females, or at least the decision of purchasing such products are more probably made by females (CNNIC, 2016).

BCG (2016) forecasts the trend of Chinese consumption expenses in 2016 being continuously increasing compared to that in 2015. The two groups of Chinese consumers identified as those who contribute most to the increasing of consumption expenses in China overlaps with two other groups of major respondents emerged in our study. One group is the upper-middle- and upper-class families with monthly income ca. 12 000 CNY or above, which overlaps with 76% of our respondents who has monthly income 5 000 CNY and above. The average yearly consumption expense increasing rate of this group reaches 17%. The other group is the younger generation of consumers, ranging from 18-30 years old, their average yearly consumption expense increasing rate reaches 14% which accounts for twice of the consumption increasing rate of Chinese people older than 35. 75% of our respondents fall in this group. Economically, these two groups of customers have the ability to afford more expensive foreign products than cheaper domestic counterparts. Moreover, more of the Chinese online shoppers value quality over price (CNNIC, 2016; CECRC, 2016) and compared to the Chinese products, foreign substitutes are more trusted (Analysys, 2015; Schjøll, 2016). Thus, it is reasonable to claim that young (aging 20-30) and middle- to high-income customers are the major groups of customers in the Daigou context.

In this regard, our samples could be regarded as representative of our targeted populations of the customers who usually purchase through agent in Sweden.

Measures

All items were assessed using a five-Point Likert-scale ranging from (1) strongly agree to (5) strongly disagree.

The dependent variable of model 1, "satisfaction in your agent", was measured through five items (Cronbach's $\alpha = 0.875$, scale mean = 2.09, SD = 0.55) based on Zeithaml *et al.* (2002), Doll *et al.* (2004), Khalifa & Liu (2007) and Kim *et al.* (2012a). "A customer's repurchase intention through the same agent", which is the dependent variable for model 2, was measured by three items (Cronbach's $\alpha = 0.797$, scale mean = 2,15, SD = 0.66) adapted from Khalifa & Liu (2007) and Kim *et al.* (2012a).

Regarding the first three independent variables, four items were adopted for each construct. The four items for "trust in the agent" (Cronbach's $\alpha = 0.869$) were selected from Bearden & Netemeyer (1999), Grazioli & Javenpaa, (2000), Kim *et al.* (2012a) and Hsu *et al.* (2014); "perceived social value" (Cronbach's $\alpha = 0.877$) based on Sweeney & Soutar (2001), Lee (2009) and Ko *et al.* (2011); and "country image" (Cronbach's $\alpha = 0.786$) came from Bearden & Netemeyer (1999).

Originally there were four items, adapted from Liang *et al.* (2017) and Bearden & Netemeyer (1999), for the fourth independent variable of "susceptibility to interpersonal influence" in the questionnaire. After factor analysis, one of the four items was ruled out due to its relatively low communality (0.510) and factor-loading (0.574), compared to the other items in the analysis, resulting in that three items of "susceptibility to interpersonal influence" (Cronbach's $\alpha = 0.713$) were kept for further study in model 2.

The summary of the relevant statistical results for the independent variables is shown in Table 3-2; those for dependent variables in Table 3-3.

Besides the items presented above, the participant's demographic information (sex, age, income and education) was inquired in order to get a general view of the samples.

The questionnaire was originally constructed in English. Considering the possible language barrier for the Chinese samples, the questionnaire was first translated into Chinese by one of the authors who is a native Chinese speaker; and then sent to both of our interviewed customers for a pre-test in order to check the understandability of the questionnaire.

	Mean	SD	Component				Communality
			1	2	3	4	
<i>Trust in your agent, summated</i>	2.09	0.62					
I think my agent is capable of doing his/her work.	1.94	0.69	0.850				0.746
I think my agent is trustworthy	1.96	0,68	0.813				0.727
If my agent makes a claim or promise about his/her products, it's probably true.	2.17	0,77	0.806				0.756
I think my agent keeps his/her customers best interest in mind.	2.28	0.78	0.693				0.679
<i>Perceived social value, summated</i>	2.51	0.75					
The products I purchased recently from my agent would make a good impression on other people.	2.46	0.86		0.870			0.812
The products I purchased recently from my agent would improve the way I am perceived.	2.45	0.89		0.863			0.815
The products I purchased recently from my agent would give its owner social approval.	2.65	0.92		0.806			0.784
The products I purchased recently from my agent would help me feel accepted.	2.48	0.85		0.692			0.605
<i>Country image, summated</i>	1.77	0.57					
I think Sweden is an economically developed country.	1.70	0.72			0.825		0.696
I think the living standard in Sweden is high.	1.70	0.65			0.817		0.761
I think the labour costs in Sweden are high.	1.80	0.84			0.796		0.700
I think Sweden produces high-quality products.	1.87	0.70			0.633		0.591
<i>Susceptibility, summated</i>	2.17	0.68					
I often consult other people to help choose the best alternative available from a product class.	2.05	0.81				0.789	0.721
I frequently gather information from friends or family about a product before I buy it.	2.28	0.94				0.744	0.624
To make sure I buy the right product/brand, I often observe what others are buying or using.	2.17	0.82				0.726	0.578
Cronbach's alpha			0.869	0.877	0.786	0.713	
Percentage of variance explained			21.77	18.49	15.66	13.88	

Table 3-2. Independent construct measure and scale reliability

Scale: 1, strongly agree... 5, strongly disagree.

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization.

Loading less than 0.55 are not shown.

Total variance explained=70.640; KMO=0.815; Bartlett's test Chi-sq=783.542, df=105, p=0.000.

	Items	Mean	SD	Cronbach's α
<i>Satisfaction in your agent, summated</i>	5	2.09	0.55	0.875
I am relatively satisfied with the shopping experience I have had with my agent.		2.03	0.63	
I think shopping is pleasant when I shop from my agent.		2.08	0.71	
Compared to other shopping channels/agents, I am satisfied with the shopping experience I have had with my agent.		2.12	0.64	
I am relatively satisfied with the product information provided by my agent.		2.11	0.59	
I am relatively satisfied with the additional services (i.e. order/delivery/return) provided by my agent.		2.13	0.80	
<i>Repurchase Intention, summated</i>	3	2.15	0.66	0.797
I intend to continue to purchase products from my agent		2.09	0.70	
I intend to acquire product information from my agent.		2.17	0.82	
I intend to recommend my agent to people around me.		2.19	0.83	

Table 3-3. Dependent construct measure and scale reliability (is this table needed?)

4. Results from the Survey

Frequencies of demographic data, the descriptive statistics and multivariate regression were successively conducted for this study.

Descriptively, the mean values for all other constructs are around 2 ("trust in your agent": mean = 2.09, SD = 0.62; "susceptibility to interpersonal influence": mean = 2.17, SD = 0.68; "Satisfaction in your agent": mean = 2.09, SD = 0.55; "repurchase intention": mean = 2.15, SD = 0.66); while "perceived social value" has the highest mean of 2.51 (SD = 0.75). This indicates a relatively more neutral attitude of the respondents to this construct than they have for the aforementioned other constructs; and "country image" with the lowest mean of 1.77 (SD = 0.57), which exhibits an attitude of relatively strong agree of the respondents compared to other constructs. All scales used in this article are listed in Table 4-1.

	Items	Mean	SD	Cronbach's α
Trust in the agent	4	2.09	0.62	0.869
Perceived social value	4	2.51	0.75	0.877
Country image	4	1.77	0.57	0.786
Susceptibility to interpersonal influence	3	2.17	0.68	0.713
Satisfaction in your agent	5	2.09	0.55	0.875
Repurchase Intention to your agent	3	2.15	0.66	0.797

Table 4-1. Scale reliabilities and descriptive statistics

To test the hypotheses for model 1 respectively model 2, multiple regression was run for each of the models. All critical results are presented in Table 4-2.

In general, all hypotheses are accepted except H4 being rejected (sig. = 0.146). Although all of the three constructs "trust in the agent", "perceived social value" and "country image" positively and significantly contribute to both satisfaction and repurchase intention; different β values exhibits different weights of each construct in each of the two models. For model 1, "trust in your agent" possesses the highest β value (0.486) and thus is regarded as the most important factor that influences "satisfaction in you agent", followed by "perceived economic value" ($\beta = 0.274$) and "country image" ($\beta = 0.187$). While in model 2, "country image" ($\beta = 0.310$) and "perceived social value" ($\beta = 0.293$) are almost equally important to repurchase intention. "Trust in your agent" becomes the least important in this model. However, its β value of 0.248 does not deviate too much from "perceived social value"s β value of 0.293.

The values of adjusted R square being 0.517 for model 1 and 0.460 for model 2 show a good explanatory power of the independent constructs to the respective dependent variables.

Finally, multicollinearity has also been checked so that all the values of Tolerance (between 0.720 ~ 0.939) and VIF (between 1.066 ~ 1.367) are within the accepted level.

	Model 1: Satisfaction as dep.	Model 2: Repurchase intention as dep.
Trust in the agent		
β	0.486	0.248
T	6.165	2.848
$Sig.$	0.000	0.051
Tolerance	0.755	0.693
VIF	1.325	1.443
Country image		
β	0.187	0.310
T	2.642	4.084
$Sig.$	0.010	0.000
Tolerance	0.939	0.907
VIF	1.066	1.103
Perceived social value		
β	0.274	0.293
T	3.419	3.355
$Sig.$	0.001	0.001
Tolerance	0.732	0.689
VIF	1.367	1.452
Susceptibility to interpersonal influence		
β		0.126
T		1.480
$Sig.$		0.142
Tolerance		0.720
VIF		1.390
F	37.821	22.963
Adj. R²	0.517	0.460
Sig.	0.000	0.000

Table 4-2. Critical results for model 1 respectively model 2 from multiple regression

5. Analysis

5.1 Main characteristics of Daigou

In the following passage the main characteristics of Daigou are identified, through combining our empirical findings from the pre-studies (Table 3-1) with the theoretical findings in Chapter 2.1 and 2.2 regarding the agent respective the country image of Sweden. Hence, this paragraph is intended to answer the first research question, by referring to the three facets of retailing by Peterson & Balasubramanian (2002). What stands out when considering the agent, is his/her direct interaction with the customers and his/her central role throughout the whole purchasing process. Moreover, regarding Daigou consumers perception of Sweden, we find that they have a rather favorable image of the country; which was formed either through personal experience with the country or through pleasing experiences of Swedish products, which were recommended to them.

Communication

Given his/her position as a middleman (Doyle, 2011) in the purchasing process, Agent1 needs to regularly communicate with other actors. These actors include his/her consumers as the main group, his/her supply partners which are Swedish retailers and producers, and his/her logistics partners (InA1). His main tool for customer communication are WeChat group chats (InA1; ObA1). Here, Agent1 announces for example the inclusion of new products into his portfolio. However, he uses these chat groups not only for one way communication from him to his customers. Instead, the group chats provide a platform for customer-to-customer interaction and sharing of usage experiences with products that they bought from him. Even more, Agent1 uses these chat groups to get feedback and determine customer demand. He regularly scans the discussions in the chat, in order to find problems regarding the usage or delivery of products and to find if there is demand for new products which he not yet offers. From this description of the agent to customer communication, we find that cross-border online shopping through agent is a lot more personal and customized way of shopping than ordinary online (cross-border) shopping. It is not only the personal contact with the agent, but also his/her immediate reaction to customers' requests and demands that distinguishes Daigou from other ways of shopping.

Furthermore, in extension to the direct communication, Agent1, as well as Agent2, have their consumers follow them on the WeChat news feed (ObA1; ObA2). Here, both agents share photos showing their usage of the products that they are offering and recommending those products. These commercial-oriented posts are combined with personal photos and feeds that are also shared by both agents from time to time, and that expose parts of their personal lives. From the preceding description, we find that the agents enhance the personal relationship with their customers by showing that they are using the same products as they do (making themselves similar to the consumers), and even, through sharing information about their personal life. We assume that this transparency is important in the process of trust building. We assume that the usage of the same products enhances consumer's trust in the products, while the sharing of personal information strengthens trust in the agent.

Transaction

The agents are also involved in the transaction between the Chinese consumer and the Swedish retailer/producer, for example through his/her Weidian shop (InA1; InA2). Here, consumers can see and buy from the product assortment of the agent. After having made a purchase decision, the consumer can order from the shop and authorize a payment to the Daigou agent (Tech in Asia, 2012). This is in order to facilitate the shopping process and make it most convenient for all parties. After receiving this payment, the agent conducts the purchase from the retailer/producer and transfers the money to him.

Distribution

Following the transaction is the distribution of the products. Assuming that it is an offline purchase, after having received the order, Agent1 would visit the store and purchase the required product within the shortest possible time. Then, he would package the good and send it to the consumer to China. For the delivery Agent1 negotiated special agreements with Swedish logistics providers like PostNord, in order to get discounts on his frequent mailings to China (InA1).

The Image of Sweden through the Eyes of Daigou Consumers

Following the outcomes of the second customer interview (InC2) are presented, since they reveal the image that Chinese consumers have of Sweden. Asked about Sweden, the interviewee, told about her personal relationship with the country, since she had to visit it for

her job. During her business trips, she became familiar with Sweden and Swedish products, and when returning to China, searched for a way to receive some of those products at home. Furthermore, she said that she recommended buying Swedish products to some of her friends, since she perceived them as qualitatively good products. Following her recommendation, some of those friends also became customers in Chinese-Swedish Daigou. Although, without the advice from their experienced friend, they would not have considered purchasing Swedish products, since they simply had no connection to the country and thus, no perception about its products. Moreover, customer2 told that while there is no particular image of Sweden in most Chinese consumer's mind, they still connect the country with its globally known retailers like IKEA and H&M. Furthermore, customer2 told about a typical Scandinavian (fashion) Style, which she defined as "concise and simple".

5.2 How Satisfaction and Repurchase Intention are influenced

The other purposes of this paper were to investigate and assess how satisfaction respectively repurchase intention being affected by different factors in the cross-border online shopping through agent context. Overall, the relationship between "susceptibility to interpersonal influence" and repurchase intention is rejected. On the other hand, all of the three other constructs of "trust in your agent", "country image" and "perceived social value" are confirmed to be related to both satisfaction and repurchase intention.

As two of our primary constructs, the trust related "trust in your agent" and "country image" exhibit intriguing difference in the two models. While both of them affecting both satisfaction and repurchase intention, different beta values exhibit the different importance of each construct in influencing repurchase intention respectively satisfaction.

As stated in Chapter 2, trust in the Daigou case includes not only "trust in a particular vendor" as addressed in many studies researching online shopping (e.g. Gefen *et al.*, 2003; Hoffman *et al.*, 1999; McKnight *et al.*, 2002), but also "country image" when it has been re-conceptualized as "trust in a particular country's offerings". Since compared to ordinary online shopping, the person-to-person interaction dominating Daigou involves customers' considerations of how reliable, in terms of integrity, benevolence and competence, an agent could be. Moreover, as such online shopping extended from domestic to international environment, uncertainty/anxiety about, for instance, the quality of the country's offerings emerges (Wang *et al.*, 2010). Such influences from "trust in the agent" and "country image" have been proved to be valid in our study. The more a customer trust in his/her agent, the more likely he/she would be satisfied with the agent; as well as he/she would repurchase from the same agent. Also, the more a customer trusts in a foreign country's offerings, the more likely he/she would be satisfied with the agent; as well as he/she would repurchase from the same agent.

Country Image and Trust in the Agent on Repurchase Intention

Repurchase intention, from the relationship marketing's perspective, is a short-term oriented transaction-based indicator on behavioral intention (e.g. Wetsch, 2006; Shaneish & Sheth, 2014), which is only suitable to examine a customer's most recent repatronizing intention from the same vendor. In model 2, "country image" is confirmed to be a more important factor than "trust in the agent" that leads to repurchase intention. This probably could be explained by the fact that quality is regarded by the Chinese customers as the most important factor in choosing various products (CNNIC, 2016; CECRC, 2016); especially after the infant formula scandal in 2008, as introduced in Chap. 1, while the Chinese consumers lost trust in the products produced in China. Thus, the better a country's offerings are perceived by the customers, the more likely they are going to repeat their purchase (same/other offerings) from

the same country. However, this does not indicate which channel the customers would choose in the repurchase case. Therefore, a complementary factor “trust in your agent” is needed. In a similar manner as in the “country image” case, the more reliable a particular agent is perceived by his/her previous customers, the more likely these customers are going to repeat their purchase from this same agent.

Trust in the Agent and Country Image on Satisfaction

When measuring the relationship between these two trust-related constructs with satisfaction, which is tied to a long-term relationship based orientation that are emphasized in the relationship marketing discourse (eg. Wetsch, 2006; Shaneish & Sheth, 2014); it is not surprisingly that trust, in particular, trust in the agent, weighs more than "country image" which addresses the trust on the offering's level. We also found empirical examples from our pre-studies of the two agents that customers' trust in the agents overcame their concerns about the quality of the products, and thus they became satisfied with their agents anyway, which is similar to service recovery effects (Zeithaml *et al.*, 2013).

For instance, once in Agent1's group chat (using WeChat) with his customers, some customers discussed their findings of a slightly darker color of the infant formula that they just got than the ones that they purchased previously; at the same time, they expressed their concern about the product quality. Agent1 explained that different batches might have such difference, but such difference never affects the quality of the infant formulas. Then the customers expressed their thanks to Agent1's immediate respondents and patience in explaining for them; and started to discuss similar happenings to other products previously while Agent 1 always provided them with satisfied explanations and so on. Such scenario was not rare during our observations. Instead, similar discussions happened quite frequently, with both Agent1 and Agent2. Also, we found lots of positive customer evaluations (from NeA1) that showed possible product failure but still satisfied customers due to the trust in the agent. Such as "the color of the package is different from last time I bought; XXX(Agent1 in this case) said the producer just didn't have enough ink due to the suddenly increased demand; I trust him, very satisfied".

Here trust on the offering's level is not so important anymore. Since the sincere and professional explanations/remedies carried out by the agent emerged to be more convincing than some physical evidence that might weaken "trust on the offering's level". Also, such explanations/remedies help in building up or enhancing trust in this particular agent (no matter it involves the dimensions of integrity, benevolence, or/and competence), which finally leads to satisfaction with this agent. Such examples illustrate a more important or even robust relationship between trust in the agent and satisfaction than country image (which reflects "trust in a country's offerings") and the satisfaction in the Daigou context.

Perceived Social Value

On the other hand, "perceived social value" is confirmed contributing to both repurchase intention and satisfaction in this Daigou context. According to the explanations in Chap. 2, when interpreting "perceived social value" as antecedent to outcomes of either loyalty/repurchase intention or satisfaction (Kim *et al.*, 2012a), the result is not surprisingly. The better a customer perceives the social value through purchasing from a particular agent, the more likely he/she would think about to repeat buying from the same agent next time; the more likely he/she would become satisfied with this particular agent.

Susceptibility to Interpersonal Influence

What emerges to be more surprising is the disconfirmation of the fourth hypothesis, depicting a relationship between "susceptibility to interpersonal influence" and repurchase intention. When constructing this hypothesis, we assumed that due to their direct contact, agents and customers were part of each other's reference group, and, thus, willing to accept information from the other, especially information from the agent to the consumer. We supposed that the agent's product-related communication, which he/she regularly posted through his/her WeChat account, would stimulate the consumer to repurchase products from the same agent. A similar influence was found from a reference group to a person's purchase decision making, in the Chinese and other cultural contexts (e.g. Liu *et al.*, 2011; Harb & Smith, 2008).

The missing effect between susceptibility to interpersonal influence and repurchase intention might be explainable by the customers already being loyal to their purchasing agents since it is the repurchase situation. By that, they might be less susceptible to information from this agent, since their decision to stay with him/her is already taken; and this repurchase decision isn't questioned each time. This would be similar to habitual purchasing behavior, where *people fall back on routinized decision-making with little conscious awareness* (Biel *et al.*, 2005, p. 360). In such a state of mind, the received influence on the part of the agent, would likely not even reach such customers with a high level of susceptibility to interpersonal influence.

Concerning susceptibility to interpersonal influence, the current study missed proving the assumed relationship between susceptibility to interpersonal influence and cross-border online purchase intention, assumed by Boeuf & Sénécal (2013). However, as explained in the previous paragraph, it's being disconfirmed in this study is most likely not caused by the cross-border online context, but by us measuring repurchase intention instead of purchase intention. We assume that when studying consumers purchase intention through Daigou, our result could have been a different one.

6. Conclusion and Implications

Concerning the main characteristics of Daigou (RQ1), the current study found the purchasing agent to be the central figure in this type of cross-border online shopping, which is characterized by direct person-to-person interaction between the agent and the customers. From the theoretical perspective, this role holds a duality between common purchasing agents and retailers, which made us define Daigou agents as retail agents.

Regarding how satisfaction (RQ2) respectively repurchase intention (RQ3) are influenced by different factors in the cross-border online shopping through agent context, trust in the agent, country image and perceived social value are confirmed to be relevant in this study. The disconfirmation of susceptibility to interpersonal influence on repurchase intention was explained in Chapter 5 as that this construct might be more relevant in the purchase intention than in the repurchase intention case.

Furthermore, when interpreted from relationship marketing perspective, trust on the agent level emerges to be more important for the long-term and relationship oriented indicator of satisfaction than trust on the product offering's level, that is, country image. While country image is more important in influencing the short-term and transaction based indicator of repurchase intention. Such information could be useful for the agents in Sweden as well as the Swedish retailers/producers who want to build up a long-term relationship not only with the existing Chinese Daigou customers who have already had a perception of Sweden and Swedish products; but also for potential Chinese Daigou customers who still know little about

Sweden. For the former, a focus on long-term relationship building is recommended with an emphasis on nurturing the customers' trust on the agent/vendor. For the latter, the agent/vendor could put their marketing efforts first on educating the customers of Sweden and Swedish style with the aim to evoke the customers' interest in the Swedish products, which then leads to their intention to try out Swedish products. After a good country image of Sweden has already accepted by these customers', the further step of nurturing the customers' trust on the agent/vendor (which is mentioned above as the strategy for customer retention) could be then adopted.

From a managerial perspective, such findings could further be useful for Swedish retailers/producers who seek to extend their customer base in China but doesn't want to take risks and high investments of a traditional market entry (Wang & Ren, 2012; Yu & Ramanathan, 2012). After knowing about the favorable image of Swedish products in China, these companies might start to cooperate with the Daigou agents, and thus, could serve the agents customers with Swedish products. Such cooperation could benefit all involved actors, Swedish retailers/producers, Daigou agents and Daigou customers.

For the academia, this study identified main characteristics of Chinese cross-border online shopping through agent, which could be used as empirical input to further study on this particular type of online shopping. Moreover, the identifying of the three influencing factors of trust in the agent, country image and perceived social value on both satisfaction and repurchase intention, extends the research of customer retention related indicators of satisfaction and repurchase intention from the ordinary online shopping context to the particular Daigou context, which possesses distinct characteristics in contrast to ordinary online shopping.

However, it is worth mentioning that this study is still among the first steps in understanding this particular type of cross-border online shopping through agent, with the limit within the context of Chinese customers and offerings available in Sweden. There are much to be filled up in this research gap of this interesting shopping phenomenon. Some of them are to be presented in the following Chapter 7.

7. Limitations and Future Research

Although from the relationship marketing perspective, repurchase intention might be more important than purchase intention, since it is usually costlier to acquire a new customer than retaining an existing customer (Shainesh & Sheth, 2014), it is the same important in this Chinese-Swedish Daigou case to go into depth in the determinants of purchase intention. Since on one hand, as already explained, there is scarce academic work that is dedicated to this particular type of online shopping, which has distinct differences compared to ordinary online shopping; on the other hand, when comparing our estimation of 30 000 existing customers that usually shop from the agents in Sweden to the large Chinese consumer base of 18 million in 2013 and an estimated number of 36 million in 2018 (199IT, 2014), there is much space for the practitioners to gain new customers. Thus, a suggestion for future research is to identify and study the determinants of purchase intention in this particular Daigou context.

Regarding susceptibility to interpersonal influence, although in our study, it is not accepted as one determinant of repurchase intention, we assume that it might be one of the determinants of purchase intention (Boeuf & Sénégal, 2013) in the Daigou context. Such investigation is left for further studying.

Also because of the distinct characteristics that this particular business Daigou possesses, especially when involving person-to-person interactions/communications and the accessibility of more customizable offerings compared to ordinary online shopping, the business model of Daigou is worth to be further researched from a relationship marketing's and service marketing's perspective. Moreover, considering the business model, also another direction of analyzing the supply chain of this type of shopping, could be taken.

On the other hand, due to concerns about the length of our survey questionnaire, we couldn't include other well-researched influencing constructs into this study, since a questionnaire with too many questions might cause a very low respondent rate, which is not desirable in a quantitative study. One of the areas that are also interesting to research in this Daigou context is how online-platform-related cues influence the customers' experiences. Although it is the agent that a customer interacts with, the communication platform WeChat still remains important; since WeChat functions as the main communication channel between the customers and the agents. In this regard, research on how the features of WeChat would influence the shopping experiences through Daigou emerges to be interesting. Moreover, although financially related constructs such as perceived economic value were not tested in our study since there is evidence that they are less important in the cross-border (online) shopping, following research might extend our study and add those constructs.

Among the limitations of this study is the low access rate of the samples. Only 331 of the 12400 indirectly contacted customers actually took the initiative to access the questionnaire. Regarding sampling, we suggest for future research to find ways to directly get in touch with desired samples to diminish this problem. Even better, we recommend conducting a qualitative study to get insights into the consumer behavior into depth. However, we argue that for a first exploratory study a quantitative approach was more suitable since we could reach out to more customers.

Last but not least, as the few first studies of this particular type of studies, we put our focus on the country of Sweden (where the products come from). Actually, as mentioned previously, USA, Japan and Canada are the countries that the Chinese customers most frequent to purchase from through cross-border online shopping (IPC, 2016). Thus, studies focus on these countries might be more generalizable to a global sense.

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Appendix - Introduction of WeChat

Even if we are not studying the technical aspects of Daigou in this research, we still think it is necessary to give a short introduction of the most important platform in the Daigou context, WeChat, in order to facilitate the readers to obtain a better understanding of the phenomenon Daigou, when most of the Daigou related activities are performed through WeChat.

WeChat, the most important app in China, launched in 2011 as an mobile/Internet-based instant messaging tool. Through all these years' development and improvement, it has now *846 million monthly active users* (China Channel, 2016; TencentQ3, 2016); and more than *10 million official accounts opened for businesses* (China Channel, 2016; Meeker, 2016a). More importantly, this single app integrates much more functions than interpersonal communication (text/voice/video chats; group messaging; and user stories/Moments, etc.). In the business context, Weidian (online-shop on WeChat. Basically, every WeChat user can open his/her online-shop through Weidian) and WeChat Pay (payment through WeChat) have been penetrating into most Chinese people's daily life (China Channel, 2016; Meeker, 2016a; Meeker, 2016b).

In the context of Daigou, which is an inter-personal relationship based Cross-border online shopping form, WeChat, in particular the features of text/voice/video chats; group messaging; and user stories/Moments, Weidian and WeChat Pay plays an important role in connecting the customers in China and the agents who lives far away from the customers.

Text/voice/video chats enable convenience ways for a customer to exchange information, experiences, opinions, thoughts, pictures and even emotions (through emoji for instance) with his/her agent, no matter before, during or after a transaction. Group messaging works similarly but engages more people than just one customer and his/her agent. In this sense, a customer's shopping behavior could be actively/passively influenced by his/her agent and other customers through messages, voices, pictures, videos and so on.

While the feature of user stories/moments (similar to the feature of Facebook feed) enables the agent to expose his/her personal life/style, as well as recommending and disseminating various new products to the customers; Weidian, online shop integrated to WeChat, is a "place" for various agents to publish and display their products, as well as for the customers to place orders. WeChat Pay then provide convenience and safety way for accomplishing payment.