

# **ANALYSIS OF THE "MADE IN CHINA" STEREOTYPES OF THAI UNIVERSITY STUDENTS**

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Research Background**

In 2010, China surpassed the United States as the world's largest manufacturing country. Economics and business circles generally believe that the global supply chain has become increasingly concentrated in China. At present, among more than 500 major industrial products, China has more than 220 kinds of production ranked first in the world. On March 5, 2018, the first meeting of the 13th National People's Congress was opened at the Great Hall of the People in Beijing. In his report on the work of the government, Premier Li Keqiang pointed out: Accelerating the transition between new and old developments. The implementation of "Made in China 2025" will promote major projects such as industrial bases, smart manufacturing, and green manufacturing, and advanced manufacturing will accelerate development.

In the main context of economic globalization, almost all countries' economies are forcibly linked together. When a consumer chooses a product, where the product's "nationality" product comes from will affect the consumer's purchase behavior. In recent years, the effect of origin of products on consumer choice behavior has become one of the most important topics in international marketing, international business, and consumer behavior research. The earliest research on the country of origin of the product was research by Schooler in the 1960s on the impact of country-of-origin image on product

evaluation in the international market.

At present, there are four broad definitions of the origin of products: manufacturing origin, assembling origin, designing origin and origin of brand. This paper will adopt the narrow definition of manufacturing origin, that is, all the goods manufactured in mainland China, the confirmation standard is the label "Made in China" marked on the commodity.

From the previous literature, the study of "Made in China" from the perspective of foreign consumer groups includes 2004 U.S. scholar Marc J Schniederjans's perception and evaluation of "Made in China" products by American consumer groups, and concluded that U.S. consumption It is generally believed that the "Made in China" product is of low quality and is of relatively low value compared to other countries. Wang Tao collected the evaluation of "Made in China" products by consumers in the United States and India, and conducted research to analyze the formation process of the country of origin of products.

Researchers have shown that through the categorization process, concepts are learned by developing and differentiating cognitive categories. Conceptualization is achieved through placing an object into a cognitive category. In terms of consumers' purchasing foreign products, the COO (the "made in" label) serves as a cue, which will activate certain experience or information (schema) associated with the relevant country, which in turn will guide the consumer to put the product in a certain category stored in memory. The consumer will then make a favorable or unfavorable decision (product evaluation, purchase intention, etc.) accordingly. Consequently, when consumers are processing product-related information, the activated stereotyped country image associated with the product and the situation will have significant impact on consumers' product evaluation and preference formation (Alexander, 2015).

Although the research on the country of origin has a history of 40 to 50 years, the focus of research has been on a small number of developed countries in the West. Although scholars have begun to pay attention to emerging markets, everything is still at a preliminary stage. Paying attention to a large number of emerging countries, the study of the country of origin effect is more practical. This article is based on considerations in this regard, taking Thai university students as examples, using empirical research methods to do some research on the perception and evaluation of Chinese-made products in the international market.

### **1.1.1 History Of Trade Between China And Thailand**

In 1975, along with the establishment of diplomatic relations between the two countries, the economic and trade exchanges between the two countries gradually recovered. After the trade relations between China and Thailand continued until the outbreak of the financial crisis in Southeast Asia in 1997, they were basically in a state of relatively stable and rapid development. Since the establishment of diplomatic relations, the two countries signed relevant trade agreements in 1978, after which the trade volume between the two countries has been showing a rapid growth trend. Until 1983, the trade between the two countries developed on the basis of rapid development for a short period of time. After a three-year period of stagnation, the stagnation period began in 1987 and reached the financial crisis in Southeast Asia. China and Thailand have made breakthroughs in all development periods in the economic and trade development. The outbreak of the financial crisis in Southeast Asia in 1997 seriously affected Thailand. During this process, China has always been adhering to the principles of mutual benefit and foreign trade, providing financial assistance to Thailand and making positive contributions to Thailand's economy. By 1999, the trade development between China and Thailand had a new trend of rising and developing. In 2003, the two countries signed a zero-tariff agreement on fruits and vegetables, which laid a solid foundation for better

trade between the two countries. Until the impact of the global financial crisis in 2008 spread to the trade between the two countries, the trade volume between China and Thailand has been continuously increasing. The year 2015 marks the 40th anniversary of the formal establishment of diplomatic relations between China and Thailand, the 13th anniversary of the signing of the ASEAN-China Free Trade Agreement and the 23rd anniversary of the signing of the Greater Mekong Regional Economic Agreement. The economic exchange between China and Thailand dates back to ancient times and Thailand is an important part of the ancient Maritime Silk Road. Even in the closed economy, New China has important trade contacts and economic links with Thailand. In 2013, China surpassed Japan to become Thailand's largest trading partner. Thailand then promoted becoming one of China's 14th largest global trading partners, and the economic ties between the two countries have been further strengthened.

In October 2013, general secretary Xi Jinping visited Southeast Asia when he proposed the strategic concept of building "the Silk Road on the sea in twenty-first Century", and hoped to connect ASEAN, South Asia, West Asia, North Africa and Europe's major economic markets and develop the strategic cooperation zone for the South China Sea, the Pacific and the India ocean to achieve economic and trade integration in Europe, Asia and Africa. Thailand is located at the key position of the "Sea Silk Road on the sea" on twenty-first Century. With the promotion of Hess strategy, the trade cooperation between China and Thailand is bound to be further strengthened.

### **1.1.2 Status Of "Made In China" In Thailand**

The table below shows the composition of major Thai imports from China in 2017

Table 1-1 2017 Thailand's Import Of Major Commodities From China

Customs classification	Hs Code	Category of goods	1-12 months	The same period of the previous year
Category	Chapter	Total value	44,734	42,262
16 category	84-85	Mechanical and electrical products	20,872	20,077
15 category	72-83	Base metal and products	6945	7014
6category	28-38	chemical products	4,183	3,404
7 category	39-40	Plastic, rubber	2,468	2,153
11 category	50-63	textiles and raw materials	1,834	1,811
17category	86-89	transport equipment	1,694	1,423
18 category	90-92	optical clocks, medical equipment	1,190	1,165
20category	94-96	furniture toys, miscellaneous products	1,067	976
2 category	06-14	plant products	1,010	1,021
13 category	68-70	ceramics, glass	725	731
14 category	71	precious metals and products	575	295
4 category	16-24	food, drink, tobacco	442	447

Table 1-1 2017 Thailand's Import Of Major Commodities From China

10 c category	47-49	cellulose pulp; paper	441	404
1 category	01-05	living animals; animal products	357	394
8 category	41-43	leather bags	315	291
		others	6141	657

China and ASEAN recently released the “China-ASEAN Recommended Two-way Famous Brand” in Beijing for the first time recently. A total of 60 Chinese companies or products were selected as “China's well-known brand catalogue recommended to ASEAN” covering instrumentation, food, building materials, machinery, auto parts, etc. leather and other fields. However, Global Times reporters took the “Catalogue” and investigated a number of Thai local companies, contractors, and industry associations and found that these well-known Chinese brands have very low awareness in Thailand, compared to the United States, Europe and Japan, and Thailand. Local brands, many interviewees refused to interview on the ground that they did not understand, and Chinese brands are encountering cognition in Thailand.

“China is a manufacturing factory in the world, but it does not have its own world brand.” Trapeng said that in Thailand’s electric control panel market, the top three brands are Schneider’s, Siemens’s, and ABB Group, a Swiss-Swedish multinational company. Ranked fourth is Mitsubishi, Japan, "These brands are actually manufactured and assembled in China." He explained that “Thai people generally believe that American brand prices are of good quality, Thai brands are low in price, and quality is also OK. Chinese brands have the lowest prices, but the quality may be from the worst to the best. They need to be carefully considered when purchasing because relative purchases with

greater risk, Thais would rather choose the unknown US, Europe and Japan brands.” He suggested that “Chinese companies should also establish their own international brands and create such a catalogue. Only more Chinese brands appear in the Thai market, Thailand. People can become more familiar with Chinese brands.” But he also admitted that it takes time for Chinese brands to cultivate awareness in Thailand.

## **1.2 Research Purposes**

With the continuous deepening of the reform and opening up process, China’s foreign trade has expanded rapidly. “Made in China” has begun to gain recognition in the international market. Products with the “Made in China” label are often seen as symbols of high quality and low price. The reputation of the "world factory" was captured by China. However, in the “post-crisis era” after the financial crisis, the pattern of international competition and the environment have become increasingly complex. The advantages of “Made in China” have been subjected to various severe challenges and its development has been severely hampered. This article will combine the theory of stereotypes and theory of origin to analyze the Thai college students' consumption group and analyze the Thai university students’ current attitude towards "Chinese system" from the multiple dimensions of "typed concept". Investigate Thai college students' stereotyped concept of "Made in China" and further identify the factors that affect Thai consumers' perceptions of "Made in China". The conclusions of the paper's research will help the Chinese government and enterprises recognize "Made in China". The status quo in the Thai market helps China to choose the right strategies and tactics to break down the stereotypes held by overseas consumers, especially Thai market students, on the “Made in China” origin and reshape the image of "China made" national brand.

### **1.3 Research Ideas**

This topic examines and discusses the perception of "Made in China" in Thai university student groups to summarize the future market positioning of "Made in China". The main body of research on selecting Thai university students as subjects is that I have spent a year and a half studying and living in Thailand as a Chinese student studying in Thailand. I have a preliminary understanding of the perception of "Made in China" in the minds of Thai university students, and I'm in In the day-to-day exchanges between Thais, especially undergraduates, preliminary investigations on this research topic have established the basic ideas for research. Thai college students are the intellectual elite of their society and their future consumption dominates. They have paid more attention to China and investigated their representation of the "Made in China" situation. The reference suggestions are more instructive for the development and innovation of "Made in China" in Thailand. We believe that it is aimed at the rapid development of China. There are also some different perspectives when Thai university students generally have a positive attitude. It affects Thailand consumers' perception of "made in China". This study seeks to verify these problems and hypotheses through surveys and interviews.

### **1.4 Research Significance**

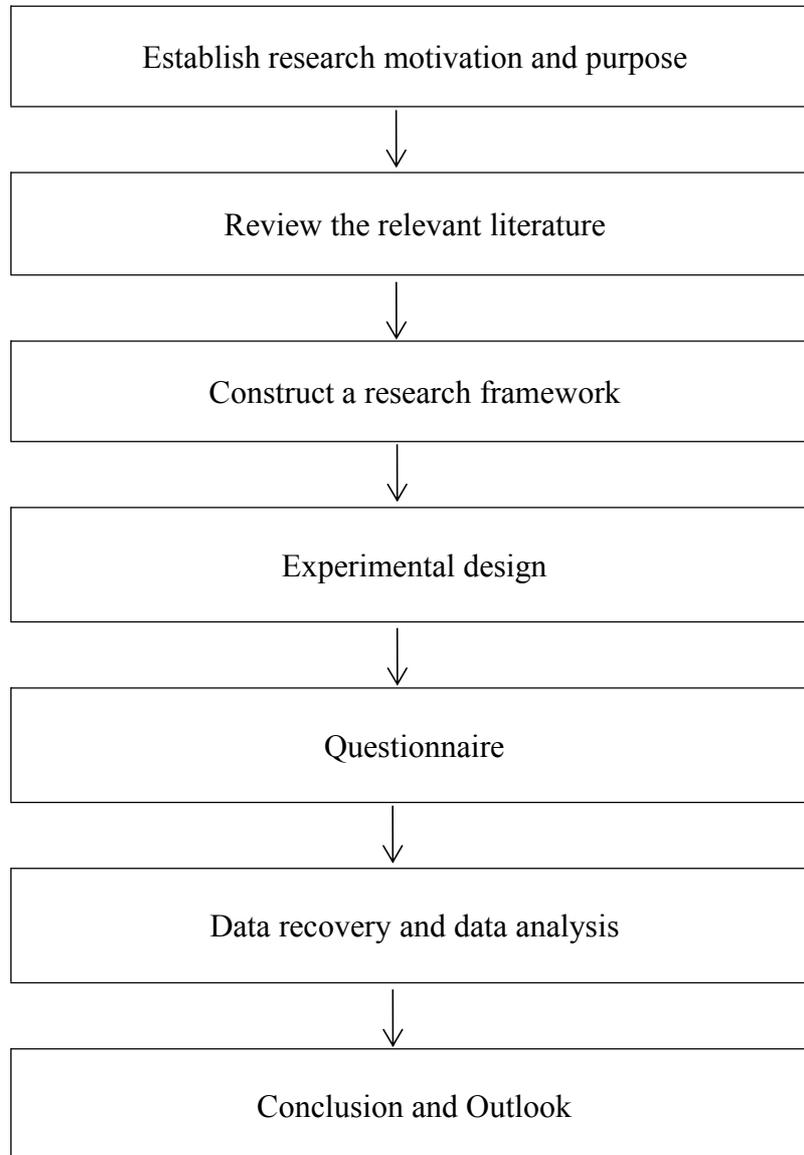
At the beginning of the 21st century, there was a number of "Made in China" negative news in many countries around the world. The impact on "Made in China" has not yet been erased. "Made in China" is labeled as "bad" and "false", and the trust of domestic and foreign consumers in "Made in China" products has also been reduced. At present, there are many consumer groups of "Made in China" products in the international market. Due to geographical constraints and the high cost of multinational marketing research, the perception and evaluation of "Made in China" by these foreign consumer groups cannot be communicated in a timely manner. For domestic companies, resulting in the information asymmetry between the two sides hindered the Chinese

companies' timely development of international marketing strategies and "Made in China" products in the international market in the image and status. that foreign investment is a second-best instrument that helps China to succeed in export-led growth by circumventing the many distortions that discriminate against domestic private enterprises. China's dependence on foreign investment for exports should decline as China builds up its market economy, but its generous preferences for foreign investors may unduly prolong its dependence. It is found that China's exports are increasingly dominated by the low value-added processing exports of foreign affiliates. In the case of Hong Kong investment in export processing on the Chinese mainland, the value-added in the Mainland is often less than that of re-exporting the output in Hong Kong. Since 2004, China has amended its treatment of foreign investments to attract higher-quality foreign investment and upgrade processing exports in order to transform itself from a world sweatshop to a global manufacturing center. The policies appear to have the intended effects. The Earth Institute at Columbia University and the Massachusetts Institute of Technology.

This article analyzes the perception and evaluation of "Made in China" by Thai university students to reflect the "Made in China" image and related influencing factors in the eyes of the entire overseas consumer. It has great significance for improving the direction of our manufacturing industry in a targeted way.

## 1.5 Research Framework

Figure 1-1 Research Framework



## 1.6 Definition Of College Students And Selection Of Consumer Groups

College students are a special group of society. They refer to those who have received higher education and have not yet fully entered the society. As the frontier group of new social and new technologies, and the country's advanced professional personnel, they represent the most advanced pop culture. College students represent young and

energetic people and are the pillars of social progress. College students, collectively registered in the universities for enrollment and education, are collectively referred to as full-time and extra-professional studies. They are usually school students and do not include self-taught students.

College students include three levels of education: college students, undergraduate students, and postgraduates (masters and doctoral students). Has second-class third-class: (two: advanced university - undergraduate; advanced university - postgraduate tertiary education: undergraduate, master's, doctoral students). No matter what type of study. In the strict sense of international communication, the “Bachelor, Master, and Doctorate” levels are the most important grades of college students.

The students involved in this article are full-time undergraduates, master graduate students, and doctoral graduate students who are studying at the university. Based on an on-the-spot survey of Thai university students as a consumer group, I conducted research on issues based on the concept of the origin country's stereotypes and widely absorbed research results from scholars. Utilizing the advantage of being in Thailand, studying in Bangkok, and having extensive contacts with Thai students, Thai college students are researched. This is also an innovation in this article.