

CHAPTER 2

LITERATURE REVIEW

2.1 Literature Review

2.1.1 Related Documents Of "Made In China"

Scholars at home and abroad have conducted extensive research on the attitude and evaluation of “Made in China” by consumers, but the perception and evaluation of “Made in China” has not been based on the analysis of Thai university student market consumers. Schniederjans et al. The others studied the U.S. market, studied the perception of “Made in China” by American consumers in terms of product quality and product value. Based on the statistical analysis method, they reached the following conclusions: First, in terms of product quality, most people It is considered that "Made in China" does not perform well enough; Second, compared with products made in China, most overseas consumers think that products made in other countries are of higher value Schniederjans and Cao (2004). Taking scholastic MBA students from Seoul, South Korea, as the research object, Yin Shenghuan, through empirical research, analyzed the functional properties of Chinese-made refrigerators, China's national image and brand personality, and what impact Korean consumers have on Chinese refrigerators. Through research, it has been found that when deciding to purchase a Chinese refrigerator, Korean consumers are affected not only by the country’s image and functional attributes, but also by brand personality factors (Yin, 2006). Ronald used the Cameroon market as a sample of research to analyze Cameroon’s consumers’ attitudes towards “Made in China” products. A questionnaire survey was conducted on 217 respondents from the Cameroon consumer

market. A study of the origin of product evaluations was conducted to analyze the evaluation dimensions of Cameroon consumers' perceptions of Chinese manufacturing and consumers' evaluation of different categories of products. Finally, the study pointed out that the source of information for Chinese-made products is “on-site advertising or promotional activities” and “word of mouth” (Manna, 1993).

The bulk of the studies that examined consumer perceptions of Chinese products have focused exclusively or primarily on the impact of country-of-origin. The majority found that country-of-origin was significant in influencing consumer decision-making with “Made in China” associated with inferior design, manufacturing, cheap pricing, and low quality, with other studies finding it was not think so (Alexander, 2015).

Summarizing the above research, I designed a related questionnaire survey to conduct research on consumers in the survey market, and used statistical analysis methods to describe consumer attitudes and evaluations of “Made in China” products. These studies can generally point out that overseas consumers' attitudes on "Made in China" products are not only product price, quality, design, brand, etc., but also analyze the advantages and disadvantages of "Made in China" in the country of investigation, and objectively describe "Made in China" in the overseas market situation, and then give marketing advice.

2..1.2 Relevant Theories Of Literature Research Made In China

Stereotypes are a cognitive mode of thinking. Stereotypes are a complex form of summarizing what we experience. It guides and influences the communication between people, and cross-cultural communication refers to The communication between members of different cultures, linguist Dodd (1991) believes that the success of cross-cultural communication requires the coordination of cognitive, operational and emotional

factors”.

2.2 Related Documents Of Origin And National Image

Generally speaking, consumers will face the choice of products from different countries and domestic products. When consumers do not fully grasp the required information and choose products, the origin effect becomes an important reference. Consumer stereotypes ultimately affect purchase decisions. Among the numerous literatures on consumer behavior and origin, the earliest research started in the 1970s by Schooler. After an in-depth analysis of the US consumer market, Schooler pointed out: Consumer attitudes, perceptions and purchases. Intentions will be influenced by the country's image (Schooler, 1965). Schooler's research opens the door to the study of consumer behavior and stereotypes. Since then, many scholars have studied the country image and the country of origin effect. In-depth and extensive research has been carried out. Based on the country's image and origin effect, these studies involve consumption, how to select products, and evaluate products.

A systematic investigation of country-of-origin studies is of importance in three respects. First, much of the research in this area has been criticized for its oversimplification of the subject matter and limited or lack of scientific rigor. Second, only a handful of studies have been theory or conceptual framework-driven and linked to buyer behavior models. The great majority of empirical investigations are atheoretic, and typically consist of simple opinion surveys of students (Obermiller, and Spangenberg, 1989). Nevertheless, the studies of country-of-origin to date provide a base of knowledge upon which further advances can be made. Although the great majority of the research effort to date has been empirical and has identified some key constructs and influences in this area, findings have not always been consistent.

Third, if customers are indeed influenced by the country-of-origin phenomenon, then a firm's sourcing, manufacturing, and marketing plans and strategies may need to be reappraised. The globalization of markets has created complex and intertwined sourcing and marketing strategies. If any bias resulting from these strategies is present in the buying decision, then manufacturers, exporters, importers, distributors, and other channel intermediaries must pay close attention to how this affects their businesses and use proper strategies to respond to this phenomenon. Nevertheless, managerial implications of the literature are not entirely clear, and a closer scrutiny of managerial implications is unlikely in the absence of a more cohesive body of knowledge.

2.2.1 Connotation Of Origin

Saeed believes that the country associated with the brand or product is known as the COO (country of origin) (Saeed, 1994). For example, the origin of APPLE is in the United States, the origin of Lenovo is in China, and the origin of TISSOT is in Switzerland. Many scholars do not have a unified consensus on the origin of origin, and can understand its connotation from four aspects: the origin of the brand, the origin of manufacturing, the origin of the design, and the origin of the assembly.

In the early 20th century, due to the constraints of economic development and trade level, well-known brands worldwide were very rare. At that time, the origin of the brand, the origin of the country of origin, the origin of the design, and the origin of the assembly were the same. Locally, the four are the same. When scholars study the effects of origin, they do not distinguish between the four. In the period when the level of international trade was at an early stage, which country produced the commodity became the object of the researcher's research on the origin.

2.2.2 Origin Effect

From the point of view of most scholars, the origin effect refers to the influence of consumers' willingness to purchase the origin information on their wishes. In a comprehensive analysis of the effects of origin, Terson and Jolibert used relevant empirical analysis to show that consumers' purchase intentions will be affected by the origin, and the degree of impact can reach 0.19, that is, whether consumers choose to purchase a certain product or not. When the product was produced, the proportion of the origin in many factors accounted for 19% (Peterson, and Jolibert, 1995).

Manrai's (1993) research shows that when a country's image is positive in consumers' minds, consumers will positively perceive the country's products, especially in quality, and promote Consumer behavior. Roth and Romeo (1992) pointed out that when the evaluation of product quality is greatly influenced by the national image, the consumer's desire to purchase products will increase as the country's image becomes higher.

State stereotyping as a cognitive shortcut, state stereotypes and country-of-origin products tend to be subjectively correlated (Obermiller, and Spangenberg, 1989). Heslop and Papadopoulos (1993) pointed out in their studies that consumers often evaluate in situ products. They will be influenced by their understanding of national stereotypes, their standard meanings and emotions.

Through the cognitive role of origin, consumers infer the quality of the product based on the origin of the information, and thus minimize the risk of purchasing decisions. Schooler and Nagashima believe that if the only information available to consumers is origin information, the impact of origin information on consumer evaluation at this time is very significant (Nagashima, 1970). Many current scholars believe that inferring the intrinsic property information of unknown products, such as quality, through the

acquisition of external attributes is the main role of the origin effect (Wall, 1991). The impact of origin on consumer perceptions is in two cases: the cumulative effect and the halo effect (Long, & Chun, 2006). If consumers are familiar with a country's products, they accumulate The effect will be produced, and indirectly, it will also affect consumer attitudes . Martin and Eroglu's (1993) study found that consumers' evaluation of a country of origin product may be affected by the economic, political, and technical impact of the national concept. For example, if a country's economic development level is high and its technical level is advanced, then consumption The product evaluation of the country is often relatively high.

First proposed the concept of the stereotype content model - the SCM model (Fiske, 2002). They learned about national stereotypes in two dimensions: warmth and competence.

Lin and Chen through a series of studies have shown that according to the degree of a country's competitive threat to determine its affinity, according to the status of a country to determine its ability. For the national image, it is mainly composed of these two separate dimensions. Chattalas and Krame (2008) speaking, this shift is the general trend between the two. That is, high affinity is often accompanied by low capacity, while high capacity is often Accompanied by low affinity. Tajfel (1981) found through research that the situation where the evaluation of both competence and affinity is high only exists within the system . Fiske (1999) research validates this assertion. Studies conducted in Asia and Africa as examples show that only the parties themselves think each other's competitiveness is light and their status is high. Therefore, from the above analysis, it can be seen that having high capacity but having low affinity is a general stereotype of national image. The studies passed by Heslop and Papadopoulost show that products of countries with higher levels of product modernization and industrialization in countries where consumers prefer are often products that consumers prefer.

2.3 Consumer Perception

Despite a large body of research, country-of-origin effects are still poorly understood. Combining the strengths of a narrative review with those of a quantitative meta-analysis, Our research aims to lay the foundation for the research of the country of origin. We review previous country-of-origin research, focusing on cognitive, affective, and normative aspects of country of origin. In a quantitative meta-analysis, we assess the magnitude of country-of-origin effects on three types of product evaluations, viz., perceived quality, attitude, and purchase intention. In addition, we develop and test hypotheses concerning the role of economic development, the impact of multi-national production, Differences between consumers and industrial purchasers, and a number of methodological aspects. We find that country of origin has a larger effect on perceived quality than on attitude toward the product or purchase intention. We also believe that the difference in economic development is an important factor in the country of origin. The country-of-origin effect does not differ between industrial and consumer purchasing. It is also not affected by multinational production. We finally put forward suggestions for future research on the country of origin. Specifically, more research is needed on the symbolic and emotional aspects of country of origin, and on the role of competitive context.

2.4 Origin Effect And National Image

The origin effect does affect the consumer's attitude towards product evaluation and purchase intention. This has reached a consensus in the business community and academia, but the national image as the core and carrier of the origin effect is often overlooked. In 1970 Nagashima had already proposed The concept of national image, he defined the national image as: "the reputation, impression and stereotypes held by the product consumers of a particular country", "the background of the economy, politics and products represented by the country, and the composition of historical traditions. This

image" .

American scholars Roth and Romen pointed out that the definition of a country's image needs to reflect the connection between the product and its perception. Therefore, they define the national image as: "The sum of cognition of consumers from certain countries' products, which is based on the advantages and disadvantages of consumers' cognition of a country's products".

Schneider (2005) believes that the stereotypes that people hold about product quality constitute national stereotypes, and that this perception of product quality is linked to the people of this country.

Summarizing the different definitions of stereotypes of the national image of the above scholars can be found in the following common points: 1 For a specific country, consumers in one country are different from stereotypes in different countries; 2 In the field of international markets The assessment of political, cultural and other fields that are not related to the performance of the product itself does not constitute the main aspect of the country's image. 3 As a whole concept of the quality of a country's products, the national image only needs to emphasize understanding the product of a country as a whole. Quality, in general, the quality of national brand products and products made by the country are an important source of consumer awareness of the country's image. Based on this, the national image involved in this study refers to the general view held by consumers on a series of product attributes such as design and quality for a given origin.

2.4.1 Origin Of Product Origin

At present, most of the researches on origin effects take consumers' perceptions and behaviors as dependent variables, and based on this, the influence of origin-related

information on dependent variables is discussed.

Some consumers regard origin as the standard of product quality. We know that for the product itself, there are generally several dimensions to describe its characteristic attributes, and the overall evaluation of the product is comprehensively considered from these several dimensions. The property of the product itself is often the basis for the consumer to evaluate the product. From two aspects to understand the product's attributes, one is the external attributes of the brand, pricing, etc.; the first is the intrinsic property of design, color, etc. Sometimes, for the product, its inherent information attributes are not easily obtained. At this time, the external information is often inferred by the purchaser to intrinsic attributes, such as quality. In reality, the consumer can obtain information. To a limited extent, no information is available. Sometimes it is a difficult problem for the purchaser. At this time, consumers tend to adopt the method of “cheap; not good” because of the judgment of the product (Olson, and Jacoby, 1972).

2.4.2 Main Influencing Factors Of Origin Effect

Since Schooler first studied the origin effect in the 1970s, various scholars have conducted extensive and in-depth research on the origin of production. They conducted investigations and studies on different products in different countries, and proved the existence of origin effect through empirical research.

Morello (1984) is positive through empirical analysis. The judgment of the origin of the image will ultimately affect the consumer's judgment of the product's image, and there is often a significant positive influence among them.

The research subjects selected American consumers. After empirical research, Schooler found that some of the consumer's own individual factors also have an impact

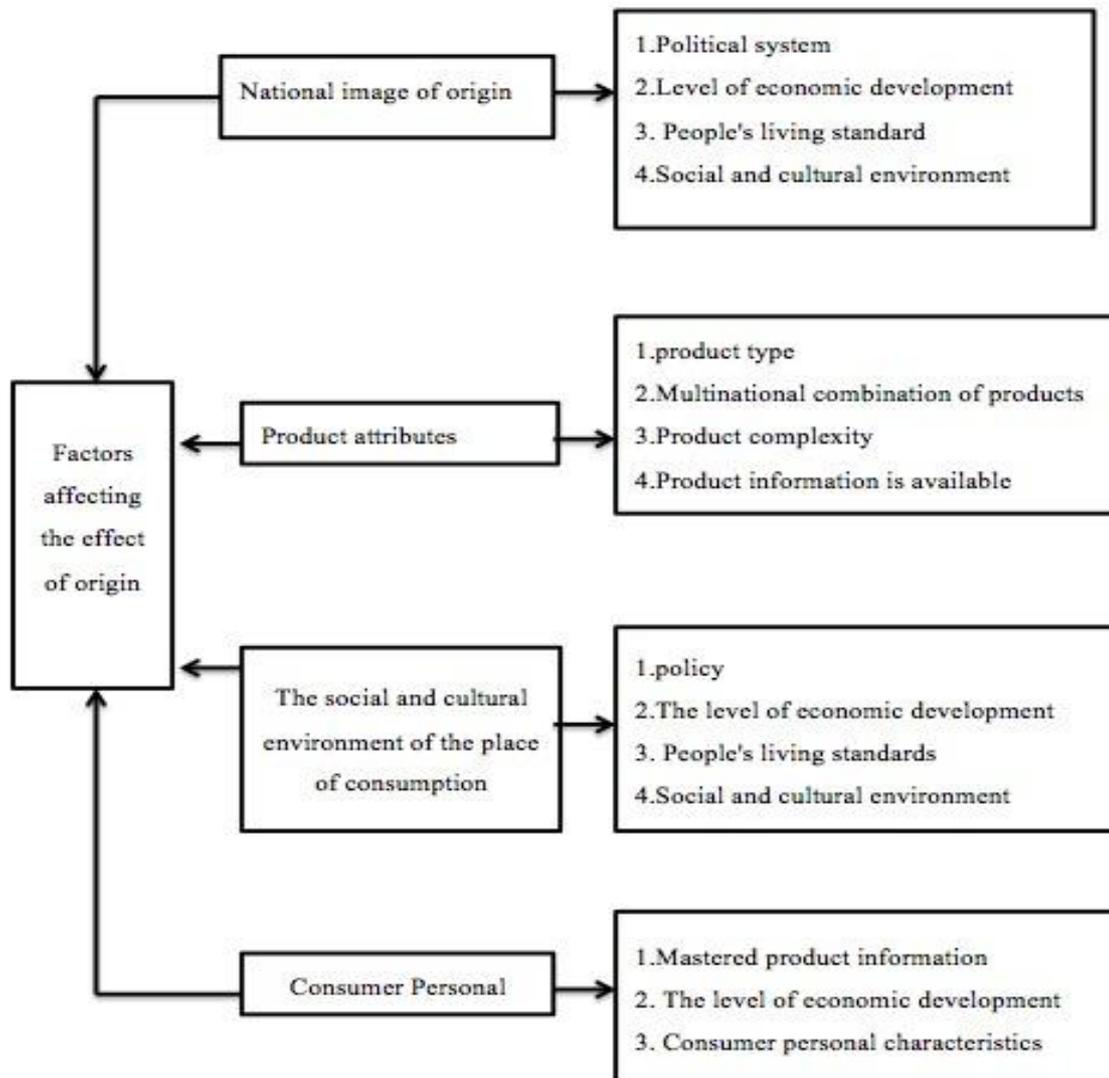
on origin. Such as consumer's age, gender, income, etc. Consistent with the findings of Schooler, Greer (1971) found that the buyer's evaluation of the product was affected by age.

With Schooler's inconsistent conclusions, Domoff (1974) found that the effect of consumer origin's image is influenced by the degree of education, but the effect of gender on the origin effect is not significant.

Lillis and Naragana (1974) found that the effect of product attributes on the origin effect is quite strong through relevant research on consumers in Japan and the United States. Han and Terpstra (1988) found through empirical analysis that the origin effect was affected by the brand effect and product conformity. A very significant effect.

From the above summary, it can be seen that the research between scholars is very different. The main reason for this inconsistency is that buyers are located in different social environments. Different social environments have created different market conditions.

Figure 2-1 Factors Affecting Origin Effects



1. Country of origin country image

Reierson (1967) confirmed through research that consumer perception and evaluation may become a certain formula, and this formula will not change with the difference of products, especially when buyers have preconceived ideas about overseas products. "Made in Germany" is always the highest rating among German consumers. Compared with Reierson's research results, Nagashima's (1970) research on the Japanese market later discovered that: In the minds of Japanese consumers, only the quality of Japanese-made products is the best in the global market, by comparing countries s

product. Cattin (1982) found that buyers' evaluations of goods from developed countries such as Germany and France were clearly higher than those from developing countries. The price affordability of a product is a core factor in the determination of decision-making to consume since, in general, the higher the price of a commodity, the less likely it will be consumed if there is competition (given that all other factors remain constant). Research has indicated that consumers are generally price-sensitive regarding Chinese products, choosing to take advantage of lower prices over other factors .

2. Product Attribute: The type of product.

It can be found from the literature that, Cattin, P. although different commodities come from the same country, the evaluation is often inconsistent from the perception of the buyer; the product's cross-national portfolio is divided from the current international large company's division of labor. It can be seen that most of the current commodities have high requirements for science and technology and produce complex products. In summary, two aspects are used to describe it: The quantity of goods and the number of product attributes are estimated, and the amount of information is related to this concept . Payne (1976) and Wright (1975) believe that many scholars attach great importance to product complexity and study the relationship between decision-making behavior and product complexity. For consumers, the amount of information that they want to process is called the amount of load. Therefore, the load of information that the consumers are subjected to will increase as the complexity of the product increases. On the other hand, if the complexity of the information carried by the commodity is not high, the buyer's accuracy in evaluating the product will be higher (Biggs, 1985); the availability of product information research shows that if the buyer is very clear (Maheswaran's, 1994).The information of the commodity, then the buyer with experience uses the information of the commodity itself to evaluate and judge the commodity: if the buyer does not easily obtain the information about the commodity, the commodity is judged on the image of the country of origin.

3.Product Familiarity

Alba and Hutchinson (1987) believe that product familiarity reflects consumer reactions to product-related knowledge. Mcauley's (2001) research pointed out that when consumers face a strange product, they will use product origin information as a kind of supplementary information to evaluate the product. Park and Lessig (1981) believe that product familiarity is related to the level of individual brand awareness of consumers and represents their subjective empirical evaluation of related products.

2.5Personal Characteristics Of Consumers

The purpose of this review is to delineate the domain of the country-of-origin construct. First, the concept is rationalized within the context of buying situations. Second, a literature-based conceptual framework is offered. Finally, the issues of marketing program standardization and corporate performance are discussed within the context of the country stereotyping effect.

Schooler et al. found that the consumer's personal factors, such as race, gender, education, age, and skin color, influence the origin of the product. Greer (1971) further validates Schooler's conclusions through research. He points out that consumers' evaluation of products can be affected by age. Domoff's (1974) research results negate Schooler's point of view. Through his research, he believes that in many individual consumer factors, the degree of education will have a significant effect on the origin of the product, but the influence of gender is not significant. In summary, the origin effect is also affected by the personal factors of consumers.