

MADE IN INDIA: RELATIONSHIP BETWEEN COUNTRY OF ORIGIN EFFECT AND BRAND TRUST

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Abstract: The purpose of this paper is to determine the relationship between Country of Origin and Brand Trust. It also shows how the purchasing behavior of consumers depends on the COO (country of origin). Various subcomponents are also discussed here to have good research on the topic. This paper has focused on reviewing brand identity, country of origin, and brand trust as important strategic components that companies use in developing their brands as global brands. The review has been done with the help of various literature sources and some Harvard Business Reviews. Researchers have used the literature review and case review approach to connect theory and practical by sourcing the formal publishers. The paper provides an insight into how a country of origin and brand trust plays a significant role in making a buying behavior of a consumer. It also connects various concepts and models of global and local brands with consumer perception towards a brand.

Keywords: Country of Origin, Chinese products, Ethnocentrism, consumer behavior, Counterfeit products, Global brand Identity, Global marketing strategy, brand perceived quality.

Introduction:

Country of Origin plays an important role in the purchasing behavior of a consumer. Lots of studies show that there are two types of consumers i.e. Ethnocentric and Non-ethnocentric. Ethnocentric consumers prefer their country products over foreign products, they feel it wrong not to purchase from their own country because this can impact the economy of the country where non-ethnocentric does not care about the country of origin of the products. Various factors affect the consumers purchasing behavior such as animosity, it means when due to some issues between the countries such as political or diplomatic the customers start boycotting the products. Here, it is also discussed that patriotism also affects the purchasing behavior of consumers like those who are patriotic do not purchase the products from other countries they only purchase products that are made in their own country. Like most of the people in India only prefers made-in-India products and they want to make better their country's economy better. Even this is the modern phase of the era but still, most people love to purchase their country-made products.

We have also discussed counterfeit products and high and low involvement products. High involvement products have more risk as compared to low involvement products. The higher the involvement that means the higher the post-evaluation. In low involvement products, there are more chances of satisfaction than dissatisfaction. Global brands design various global marketing strategies which are the same or similar for the entire global market still have some flexibility in it which can be changed according to the culture of that local market. Global brands adapt these kinds of strategies to make their customers feel connected to global customers along with their regional taste and preference without harming or violating any cultural belief of local customers. These strategies help brands in giving tough competition and extra edge upon domestic companies. Global brands play with the strategy of features, price, and specification of the product to compete with other global brands and domestic brands of that country. China has a strategy of selling products in India at a cheaper rate to attract local customers and compete with other global and Indian brands in the market.

Review of Literature

Influence of Animosity and Ethnocentrism

Ethnocentrism can be defined as the psychological concept that tells how consumers purchased products based on country of origin. Ethnocentric consumers prefer their country products over foreign products, they feel it wrong not to purchase from their own country because this can impact the economy of the country. These people find domestic products more superior than foreign products. It is also found that countries that import more are also having ethnocentric consumers. In ethnocentric, consumers there are full of patriotism and they feel proud to purchase only domestic products. As ethnocentrism, Consumer animosity also affects the purchasing behavior of customers to buy products from foreign countries. It can define as when due to political, military, diplomatic, or economic issues between the countries, the people start boycotting the products of that country or we can say that angry consumers do not falsify or denigrate images of a target country's products, they just simply refuse to buy them in respect of various issues between countries. E.g. Chinese consumers supposed that Japanese products are of high quality but the people of China will boycott the purchasing because of the hostility between the two countries. (Fernández-Ferrín, P., Bande-Vilela, B., Klein, J. G., & del Río- Araújo, M. L. (2015).

Chinese products and Patriotism

Country of origin plays an important role in purchasing behavior of consumers. Consumer's rigidity, conservatism, and status concern all harm consumer's attitude in purchasing a foreign product. Various past studies also show that due to patriotism, consumers tend towards the products of their own countries rather than any foreign products. We can also say that the higher the patriotism, the higher chances of the negative attitude of consumers towards foreign products. There is also a possibility that Consumers may form a more positive attitude toward foreign products when there is higher cultural identification between sourcing country and consuming country but mostly it is not there. Factors such as country-of-origin, the image of a particular country, or country stereotype have effects on consumers' purchasing decisions. Consumer animosity is also involved here, as when countries are having issues so it becomes clear that the people start boycotting the products. (Chen, H. L. 2011).

High Involvement Products

The post-purchase evaluation is very important for both customers as well as for businesses. It helps the business to get feedback about their products and customers can also know whether they are satisfied with that purchased product or not. Researches show that the higher the involvement with the purchase process, the more intense is a consumer's post-purchase evaluation which in turn affects consumer satisfaction or dissatisfaction. Hence satisfaction becomes an extremely important issue for high-involvement purchases. High-involvement products have a higher amount of risk as compared to low-involvement products and satisfaction becomes an extremely important issue for high-involvement purchases. Word of mouth communication plays an important role in the formation of any brand in customer's minds and generally, people purchase high involvement products by word of mouth because they find it good to spend more after listening from other people first.

Counterfeit Products

Product counterfeiting means unauthorized manufacturing or distribution of goods whose special characteristics are protected via IP rights (trademarks, patents, and copyrights).

Businesses have a tough time protecting their products to be counterfeit and Consumer complicity is also there. Consumer complicity means the willingness to obtain, share, or use counterfeit products. Consumer's positive attitude towards counterfeit products is also a big concern for the marketers because this impacts the legal businesses and the industry as well. People think that they are getting the exact product in fewer amounts so mostly they prefer counterfeit products over the original ones. (Chaudhry, P. E., & Stumpf, S. A. 2011)

Global Brand Identity

Brands that are marketed globally in more than one country are called global brands. Global brands are the symbol of a globalizing world. Labor mobility, travel, political and legal aspects have facilitated more free trade over the years. All these factors have increased the importance of transnational structures and their symbolic forms like global brands. Global brands are playing a very important role in consumer's lives in enabling consumers to feel stay connected with the consumers of other countries. On the other side, these global brands have also faced various protests against them by the consumers to express their fear or anger against any move or strategy made by the brands like Nike. Global brands have to face backlash from the consumer of a country when they fail to understand the culture of that country. Does the question arise why consumers prefer global brands? Consumers look for a value of money they think global brands provide them with good quality, features, and responsibility which is worth paying for. These global brands have to compete with other global brands. To stand out from other brands these brands play with the strategy of price, performance, features, marketing, and advertisement strategy which will make them look different from their other global competitors. (Holt, D. B., Quelch, J. A., & Taylor, E. L. 2004)

GLOBAL MARKETING STRATEGY

When companies integrate their marketing strategies on a global scale in terms of creating a single marketing strategy for their whole line of product, services, and company for the whole global market it is termed a global marketing strategy. Instead of making different strategies for every market companies settle on one strategy which in common can be perfectly applied on every global market, these strategies are flexible. It can be molded or slightly changed with the requirement of any particular market. McDonald's had to change their red meat burgers into aloo Tikki burgers in the Indian market, as Indian culture does not accept the consumption of red meat. So, in designing a global marketing strategy companies should have a good knowledge of the economy, culture, and political environment of that country.

Brand Perceived Quality

According to (Erfan Severi1 & Kwak Choon Ling1 1 Faculty of Business and Information Science, UCSI University, Kuala Lumpur, Malaysia) relationship between brand awareness and brand equity is mediated by brand association; the relationship between the brand association and brand equity is mediated by brand loyalty; the relationship between brand loyalty and brand equity is mediated by brand image and finally, the relationship between brand image and brand equity is mediated by perceived quality. Perceived quality establishes a relationship between brand image and brand equity. (PETER H. FARQUHAR) A brand enhances the value of

a product beyond its functional purpose

Country's Image

A product's country of origin or product country image (PCI) influences consumer's evaluation of it. There is a fact that product origin matters to consumers has significant strategic implications for firms engaged in both domestic and international business. The image of countries as the origin of products is one of many extrinsic cues, such as price and brand name, that may become part of a product's total image (Eroglu and Machleit, 1989). The Liefeld (1993) concluded that the countries appear to influence consumer evaluation of product quality, risk, the likelihood of purchase, and other mediating variables. They noted that the nature and strength of origin effects depend on such factors as the product category. When consumers have little knowledge about the attributes of a foreign product, they are likely to use indirect evidence such as country to evaluate products and brands and more inner face regarding the quality of their attributes. Johansson (1985) showed that the country image does affect the evaluation of the product attributes but not the overall evaluation of products. Furthermore, their findings indicated that the overall evaluation of an automobile appeared to influence consumer's rating on specific attributes. The country's image impacts consumer evaluation of specific attributes rather than their overall evaluation of the product.

(Michel Laroche, Nicolas Papadopoulos and Louise A. Heslop Mehdi mourali, 2005)

Product Evaluation

Market dynamics have been changing dramatically. Popular strategies of the 1980s such as cost savings and quality improvement are no longer sufficient to win the combative battles. These battles will be won by those companies that can create and dominate new markets by developing new products. However, creating a new product is a risky business. Product evaluation is a dynamic process and generally can be conducted at five major stages including concept testing, prototype testing, pretest market, test market, and launch. The concept testing stage is concerned with assessing consumer reaction, the pretest market stage deals with the simulation of a shopping environment and measures the reaction of potential market size. The test market stage is an evaluation with a limited product launch and is the final step before full-scale commercialization. The final stage involves predicting the future sales of a new product by using its early sales data. This can be an ideal practice as previous studies suggest that using multiple methods improves forecasting accuracy however due to competitive pressures and increasingly shorter product life cycles, companies tend to introduce new products as quickly as possible by skip several stages of processes. It should be noted that the process runs parallel to the new product development process and applies to both stage-gate and concurrent processes thus companies can utilize the models either sequentially or concurrently.

(Akar, David A building strong brands, the free press 2006, Allen, Jeff, and Butler, Daniel assigning the effect of donor knowledge risk.)

Perceived Brand Localness

Accordingly, international marketing managers have been trying to capitalize on their brands' global reach and localness associations as well as on favorable country-of-origin preconception to leverage brand equity at the same time international marketing researchers have been focusing on clarifying how consumer preferences are differentially influenced by a brand local-global nature (stinkdamp, Batra Alden 2003) and its COO associations (Hertz & Diamantopoulos, 2013). This increased academic and managerial interest has generated two main streams of inquiry in the international market namely, global/local branding and COO research. Global/local branding research revolves around the implications of a brand's global or local nature. Global brands are the brands having global awareness, availability, acceptance, and desirability and are often found under the same name with consistent positioning, image, personability, look and feel in major markets enable by standardized and centrally coordinated marketing strategies and programs (Zoomer & Altars, 2008). Local brands on the other are defined as the only available in a specific geographical region or a concentrated market (Demote, Johansson & Romaine, 2008). This stream of research suggests that brand globally nesses associations strengthen brand preference by boosting consumer perception of quality prestige and credibility (ozomer.2012). While brand local nesses association create brand value by building on the local identity supporting local cultures and adapting the brand to local tastes and needs (ozsomer,2012, Schuiling,2003).

(Georgios Haikais, Vasileios Davtas, Adamantoids Diamantopoulos, 2008)

Conclusion

During this research project we get to know about the made in India relationship between country of origin and brand trust. The people are feel attracted towards the local brand as well as the "made in labels..." and like to buy it. There are many perspectives in which the patriotism related to product were seen and people want to buy that product. It will help to know how country of origin affects the consumers' behavior and brand trust.

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