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主持人：陳綉里 博士 銘傳大學國際企業研究所
計畫參與人員：黃晨軒 兼任助理 銘傳大學國際企業研究所

The effect of country of origin on international product positioning

As international trade and global marketing activity expands, international marketers often seek to model consumer behavior in the international marketplace. An important variable affecting consumer purchasing behavior in international marketing is the country of origin (COO). Products such as cars, high fashion clothes, perfumes, and consumer electronic, etc, possess country of origin stereotypes, In general, country image may come from ethnocentrism or patriotism, feelings of national pride, and personal experience of the global vision. A country also may be stereotyped based on whether they are industrialized, in the process of industrializing or developing. Industrialized countries have the highest quality image, and there is generally a bias against products from developing countries. Moreover, COO effects may vary by consumer segment, product specific, and home country development, etc. Country image also may have greater extension because consumers are less familiar with products.

Although numerous of studies in the area of COO effects have been produced, they are predominated by issues relating to global sourcing, product evaluating, and information cues. Specifically, they focus on the existence of differences in perceived quality between native and foreign brands (e.g., Etzel and Walker 1974, Lumpkin, Crawford and Kim 1985, Han and Terpstra 1988, Nes and Bilkey 1993). Relatively little of the research has addressed the marketing issues of product positioning by incorporating the COO effects to examine the implications of global product positioning. To position a product, Marketing manager should integrate marketing mix elements. A good position strategy could help the company to capture its customers, extend its market share and maximize the product's profit.

In this study, we investigate the product positioning from the consumer behavior perspective. In addition, we isolate the portion of the difference due to the COO effects of a brand to see how a country's image affects consumer's product position of a specific brand. To study these issues, we use the conceptual map technique to locate the actual positions (i.e. Position by the consumer) for certain products due to the COO effects.

Literature review

Nagashima's (1970) paper gave a good starting point for studying country image, he identified a hierarchy of effects for products attributes among countries. Since then, numerous research projects have been successful in evaluating the effects of a COO on buyers' purchasing decision behavior, which could be divided into the following types. (1) The COO effects in terms of the demographic characteristics of buyers (e.g., Schooler 1971; Hutchens 1989); (2) the impact of COO on consumer products evaluation and purchase. (e.g., Etzel and Walker 1974., Lumpkin, Crawford and Kim 1985). Bilkey and Nes (1982) detected that when Consumers have little knowledge of a country's products, the country image acts as a halo from which consumers infer product attributes from brands of that country. For example, Schooler et al. (1987) have shown that consumers' negative product evaluations based on country images constitute significant market barriers for companies from less developed countries; Han (1989) developed two alternative causal models: the halo model and the summary construct model and found that if consumers are not familiar with a country's products, the country's image may serve as a halo and, in

contrast, country image helps consumers to summarize their product beliefs and directly affect their brand attitudes. However, not every consumer is sensitive to COO effects. Schaefer (1997) found that the more knowledgeable consumers are more sensitive to a COO effect a product than those less knowledgeable; and (3) The use of marketing strategies as a countervailing influence on COO effects (e.g., Kincaid 1970; Han and Terpstra 1988; Chao 1989; Nes and bilkey 1993; Li and Dant 1997). Other suggest that the amount of perceived risk of a consumer is inversely related to the willingness of purchase (Nonak 1989; Morries and Hallaq 1990); (4)Sourcing Strategies: country-of-design and country-of assembly had a significant impact on product quality perception (Chao 1993; Ahmed, d'Astous, and d' Alemeida 1994; Samiee 1994; Chao 1998). One alternative separation is to divide the related research into two catalogues, Macro vies (focus on country specified) and micro view (focus on product qualities). Some studies focused on the hierarchy effects amount countries (Schooler 1971; Hampton 1977; and Tongberg 1983);

Conceptual framework

The conceptual framework included four parts: Country image, product image belief, and attitude. Country image is the overall perception of image by various countries' consumers As a second-order construct, we use thirteen questions to form four dimensions, namely, political, economic, technological, and social desirability, In the empirical study, we use factor analysis to group these four dimensions and use the average individual factor scores as the score of these dimensions.

Product image is constructed by product-specific attributes. The Quality dimensions including performance, serviceability, durability, aesthetics, feature. Focus on specific product attributes or quality can help us to portray the product image from COO effects.

By employing the definition of Han and Terpstra (1989), the beliefs dimensions including Technology advantage, prestige, meet the needs of consumers, workmanship, and economy. Brand attitude is assessed with subject's over all evaluation of product and its qualities made in the country.

Empirical study and its managerial findings

data collection

Because consumers do product position may vary according to product category, therefore, we select two levels of product to examine the existence of perceived difference. The first type of product is consumer-shopping goods, Namely, Toothpaste, which are regarded as low involvement and easy to make purchasing decision. The second type of product is high involvement product, Namely, airline, which are usually need more information search by consumers.

Empirical data is planning to be collected in Taipei, the capital city of Taiwan, by using convenience sampling. In measuring the country image, following Martin and Erogle (1993), we use four dimensions: political, economic, technological, and social desirability. The first three dimensions are self-evaluation and the last dimension includes quality of life, standard of living, urbanization etc. Similarity, we use five questions to represent the dimensions of product images and beliefs, respectively. These image or beliefs were measured on a 7-point semantic differential scale anchored by counter descriptions.

The empirical study has shown that COO effects plays an important role in the consumer evaluation process and also suggest that for consumers with little knowledge of a country's products, the country image is an important factor in their product positioning.

Table 1 Mean Values of Country Image and Product Image

Country image	Germany	U.S.A.	Japan	Taiwan	China

	mean	S.D.	mean	S.D.	mean	S.D.	mean	S.D.	mean	S.D.
1.Economic	5.947	1.06	6.2045	0.8	5.9846	0.86	4.6124	0.88	3.5194	1.3
2.Political	5.6231	1.01	5.5379	1.24	5.2846	1.01	3.854	1.34	4.0226	1.82
3.Free market	5.5	1.07	5.9618	0.84	5.5581	0.87	4.8217	1.02	3.5455	1.49
4.Social desirable	5.9769	0.9	6.1515	0.75	5.9449	0.94	4.1923	1.26	3.0977	1.54
5.Product quality	6.1374	0.82	5.8409	0.86	6.0758	0.85	4.8168	1	3.4091	1.49
6.Technological	6.2109	0.9	6.2879	0.82	5.9535	0.96	4.6172	1.07	3.7692	1.41
Mean values	5.8992	0.96	5.9974	0.89	5.8003	0.92	4.4857	1.1	3.5606	1.51
Product image										
1.Innovation	5.7154	0.91	5.8855	0.9	5.9084	0.99	4.7364	1.04	3.6794	1.45
2.Feature	5.542	0.99	5.6641	0.91	5.9539	1	4.8692	1.06	3.5682	1.47
3.High image	5.9318	0.92	5.7652	0.85	6.1603	0.93	4.7	0.92	3.4286	1.47
4.Aesthetics	5.7252	0.98	5.7252	0.98	5.5504	0.87	6.0758	0.94	4.7557	0.97
Mean values	5.7286	0.95	5.76	0.91	5.8933	0.95	5.0954	0.99	3.858	1.34

Source: collected for this research.

Table 2 Mean Value of Ten Dimensions of Airline

Dimension	Germany	U.S.A.	Japan	Taiwan	China
1.Efficiency of check in process	5.4643	5.5161	5.2421	4.4957	3.9444
2.Stops and lines of flights	5.3293	5.5556	5.1957	4.7478	3.7791
3.Menu of service	5.2771	5.3077	5.6452	4.5702	3.7931
4.Safety of flights	5.7229	5.5604	5.5054	3.7739	3.7273
5.Cleaning of cabin	5.4762	5.4778	5.4839	4.9217	4.2955
6.Years of airplane	5.6463	5.5652	5.2688	4.4483	3.7045
7.On schedule performance	5.3373	5.3696	5.2283	4.5776	3.8182
8.Service in the plane	5.5802	5.5111	5.6559	5.1754	4.2273
9.Comfort of seat in the airplane	5.6463	5.5714	5.4086	4.8793	4.2069
10.Ability of dealing with passengers' complain	5.2410	5.3370	5.4022	4.6379	3.9302
Mean	5.4721	5.4772	5.4036	4.6228	3.9426

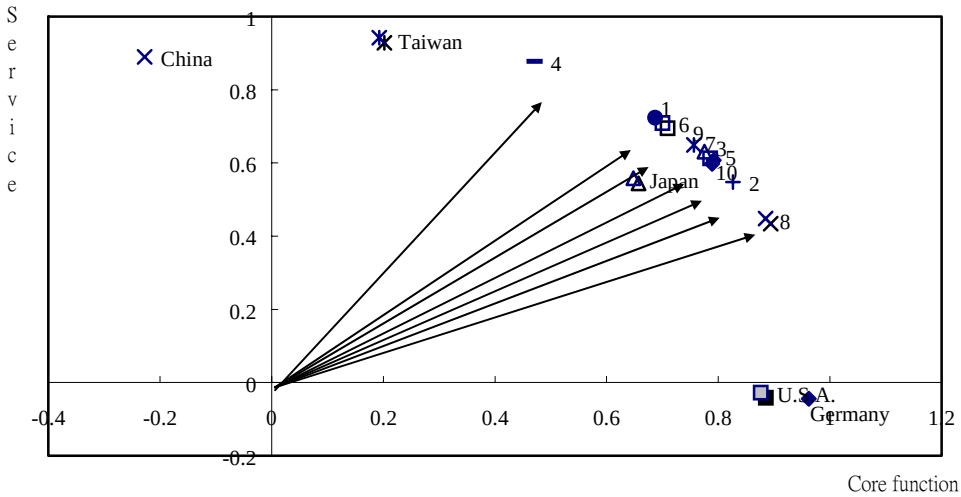

Figure 1 Conceptual map of Airline with ten dimensions against five countries

Table 3 mean Values of Eight Dimensions of Toothpaste

Dimension	Germany	U.S.A.	Japan	Taiwan	China
1.Reasonable of price	4.3776	4.7080	4.4200	4.7339	4.4167
2.Effect of spotlessly white	4.8571	4.9286	4.7172	4.7177	3.3976
3.Effect of mothproof	5.0303	5.1327	4.8200	4.7903	3.4819
4.Delicacy of package	5.3939	5.3186	5.2300	4.7016	3.4048
5.Safety	5.0707	5.1593	4.9400	4.8387	3.5783
6.High	5.7282	5.9826	5.5769	5.6746	3.2000
7.High image	5.8333	5.9565	5.5922	5.5360	3.4405
8.Variety of product lines	5.5631	5.6957	5.4175	5.0484	3.4524
Mean values	5.2318	5.3602	5.0892	5.0052	3.5465

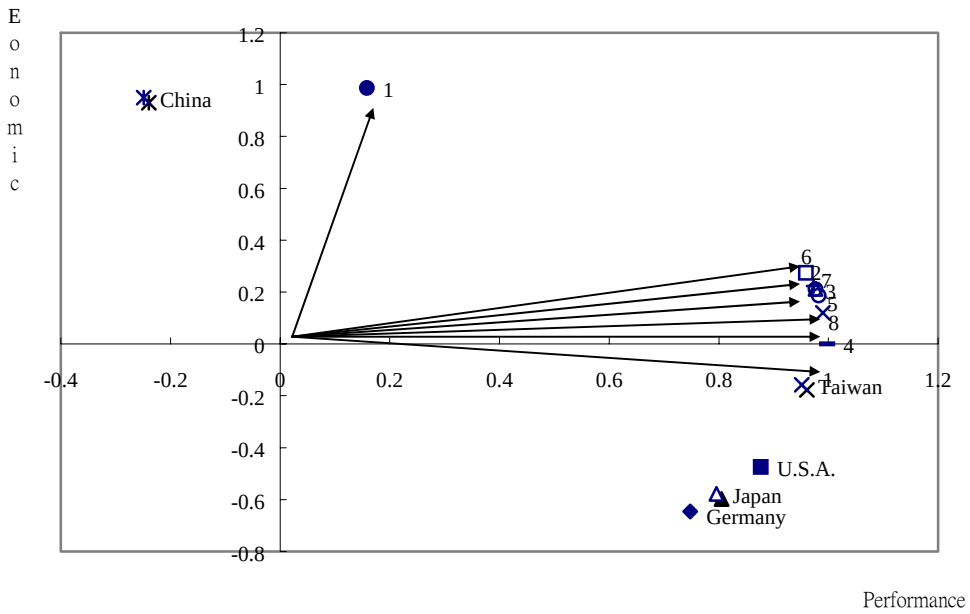

Figure 2 Conceptual map of toothpaste with eight dimensions against five country of brands

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