Mini Review


1Sheng Chung Lo, 2Jane Tung, 3Karen Yuan Wang and 4Kai-Ping Huang

1Department of Travel Management, Hsing Wu University, Taiwan, Republic of China
2Department of Marketing and Distribution Management, Hsing Wu University, Taiwan, Republic of China
3Management Discipline Group, University of Technology Sydney, Sydney, Australia
4Department of Business Administration, Fu Jen Catholic University, No. 510 Zhongzheng Road, Xinzhuang District, New Taipei City, 24205 Taiwan, Republic of China

Abstract

This study aimed to investigate the effects of consumer ethnocentrism and the country of origin in terms of brand image and the evaluation of products. Brand image affects the purchasing decisions of consumers and therefore this study aimed to establish a connection between purchasing decisions and a high brand image of a product. Based on the literature review, consumer ethnocentrism is found to have a significant effect on product attitudes and the perception towards quality products. Further, the country for which a product is first developed or manufactured is of significance, especially in cases that involve a developed country. According to the research, it has been found that brand image is superior to consumer ethnocentrism in the prediction of the perceptions of consumers within an economy and the attitudes of consumers towards a certain product. A high brand image is crucial for a company and therefore it must be created, developed and maintained to ensure the future success of the company. The research findings show that the country of origin predicts the perceptions and attitudes of consumers better than consumer ethnocentrism. The research was based on the evaluation of the country of origin in terms of a comparison of developed and developing nations. Consumer ethnocentrism is important in developing nations in the prediction of the perceptions of consumers within an economy and the attitudes of consumers towards a certain product.

Key words: Ethnocentrism, country of origin, brand image, product evaluation, perception

Received: February 10, 2017    Accepted: May 12, 2017    Published: June 15, 2017


Corresponding Author: Kai-Ping Huang, Department of Business Administration, Fu Jen Catholic University, No. 510 Zhongzheng Road, Xinzhuang District, New Taipei City, 24205 Taiwan, Republic of China  Tel: +886 2 2905-2906

Copyright: © 2017 Sheng Chung Lo et al. This is an open access article distributed under the terms of the creative commons attribution License, which permits unrestricted use, distribution and reproduction in any medium, provided the original author and source are credited.

Competing Interest: The authors have declared that no competing interest exists.

Data Availability: All relevant data are within the paper and its supporting information files.
INTRODUCTION

In today’s globalized world, most consumers have access to large domestic markets and many products that are of foreign origin. The judgement of consumers depends on brand image and the country from which the product originated. The country of origin effect is crucial in establishing a connection between consumer ethnocentrism and brand image. In most of the developing nations, consumers prefer to purchase products that originate in developed nations and that have a higher brand image. Consumer ethnocentrism is critical in regard to decisions about what to buy, depending on the type of market that is in place. Consumer ethnocentrism has an effect on foreign and domestic markets; however, its effect is greater in the domestic market. Ethnocentric consumers believe that purchasing imported products affects the internal economy within the country and can lead to a decrease in employment opportunities within a country. Ethnocentric consumers have different perceptions with regard to product purchasing judgements. They attribute merit to products depending on the satisfaction that is derived from their consumption, regardless the country’s origin.

This study examined the country in which a product is manufactured, its brand image, the product evaluation and consumer ethnocentrism. A comparison among the factors was made and the effectiveness of each factor was analyzed. A model was established that elaborates the relationships between the factors.

PROPOSITION DEVELOPMENT

Country of origin and brand image: The term “Country of origin” refers to the country of manufacture, production, or growth from which a product originates. The country where a product is manufactured affects the product’s positioning and its brand image. A product’s country of origin helps to reduce the perceived risks of a product and it acts as a guarantor for the strategic positioning of the product in the market. The buying decision with regard to a given product and its competitive advantage is affected by its place of manufacture. Regardless of the strong relationship that exists between the brand image of a product and its country of origin, most of the effects are negative. However, consumer perceptions about a product must be in line with the country of origin to avoid consumer negativity with regard to a product. A product’s category and its origin affect the buying decision. Most consumers prefer products that they are comfortable buying and they take the specific place of manufacture into consideration. Brand image and country of origin are related depending on the perceptions of the consumers in the market.

The origin of a product is considered to be a crucial factor in terms of the influence of the consumer’s brand evaluation decisions, their perceptions of different products and the way in which they purchase different products. A country of origin that is strongly positively perceived by customers has a competitive advantage in terms of its products. Different studies have been conducted on the effects of product origin, product quality and the consumer’s familiarity with products from specific nations.

From the different studies that have been conducted, it has been established there is a relationship between the origin country of a product and its brand image in that country with regard to certain products. A country with a positive brand image has a higher competitive advantage and therefore its products are used as enhancers of brand positioning in the market. The risk that is associated with the acquisition and consumption of those products is minimal. Therefore, they are considered to be safe. However, several studies have established a negative relationship between brand image and country of origin. This depends on the consumer’s perception of certain products that are produced within that country. Most of the studies use the multidimensional approach to evaluate how a product’s originality affects its trademark positioning. From the multidimensional approaches that have been used in most studies, the economic, political, socio-cultural and technological factors within a country are evaluated with the aim of determining how the country of origin of a product affects the brand positioning of the product in the market. Usually, there is a positive prejudice between products that are produced in urbanized countries than products that are produced in developing nations. However, technological advancement, lifestyle changes and marketing techniques can affect consumer perception over a period of time.

Further, consumer’s perceptions of the place, region, or country to which a brand belongs defines the brand origin. The country where a product is manufactured relates to various aspects, including the cultures within that country, the political climate of that country, the landscape, the languages that are used in that country, the economic and technological development of that country, the people and the religions that are found in that country. All these factors affect the brand positioning of a product in the internal markets. The image of that country is viewed as an operational concept. The country’s image is viewed as an asset of the organization and it has a positive impact. It is considered to be a liability.
when a country’s image has negative impacts on the nation. Prior research has suggested that there must be a match between the place where a product is manufactured and the image that is portrayed by the brand to avoid negative spill overs in the economy\textsuperscript{1,5}. Therefore, products that are associated with a specific country tend to create a positive image of the brand. A good example is French companies that are associated with a reputable brand image, especially in perfumes, the textile industry and the production of wines. The same country has a negative brand image in regard to the production of cars and technology equipment. The brand images of the different nations vary a great deal and therefore they are relevant to products that have a high competitive advantage and the brand images of different nations are important for consumers in terms of consumption\textsuperscript{6}. Many countries have strong product images; however, brand images are perceived to be weak, which is an aspect that causes low consumption. Therefore, the effect that is caused by a product’s origin and the brand image that it possesses is country specific and product category specific.

Management from the consumer’s perspective is important in the creation of effective brand positioning\textsuperscript{15,16}. Therefore, a product in the market becomes significant to customers when the brand positioning is strong and there is a unique brand association with other products. Brand equity is the main aim that drives marketers to market a certain product. Because brand image is primarily based on the customer’s perspective, the marketer’s control over this issue is minimal. The positioning of product elements in the market differs according to personal characteristics, desired objectives and customer values\textsuperscript{5,6,7}. However, external factors affect brand positioning in the market. These factors include competition, social issues and cultural issues in the economy\textsuperscript{17}.

International positioning raises different challenges in the market. Most consumers in a market use the brand country of origin in their evaluation of new products in the market. When new products are introduced in the market, the consumer attitudes towards purchasing that product depend on the place of manufacture and the brand positioning of that product. In this case, brand image does not play an important role in determining consumer preference. Consumers consider the country of origin in making their ultimate decisions. The images of the products can be negatively affected when new products are introduced into the market. This occurs before customers become familiar with a brand name.

The image that is portrayed by a product’s origin affects its quality according to the consumer’s taste and preferences. This affects the reliability of the products, the safety of using the products and the performance of the products. If the products and the personalities of the consumers are similar, then the consumers will develop a tendency to consume more of the products. When there is a high negative bias towards the country of origin of a certain product, then the consumption will be low because consumers avoid the consumption of such products. The decisions of consumers in the consumption of certain products either negatively or positively affect brand image\textsuperscript{16}. This demonstrates that there is a relationship between brand image and the country of origin. Some countries have a higher brand image and others have a low brand image, depending on consumers’ preferences and tastes with regard to various products. Therefore, the following proposition emerges.

**Proposition 1**: There is a significant country of origin effect on customer brand image.

**Country of origin and customer product evaluation**: Customer product evaluation refers to “The safety and the suitability precautions checks taken by the consumers before making a buying decision”\textsuperscript{19}. The effects of the country of origin have been studied since the early 60 sec and the focus of the research has evolved from proving the existence of the various effects to the focus on the extent to which a product’s country of origin affects brand image\textsuperscript{14,16,19}. The existence of the effects of the country of origin on products and the evaluation of products has been confirmed; however, the magnitude of the effects has been a subject of research as well as the variables, which can be used to moderate the effects. To determine the magnitude of the effects of a product’s country of origin and its evaluation, there are fundamental concepts that must be understood. Some of the factors that must be considered include the consumer’s evaluation of a product, the consumer’s attitude towards different products, the consumer’s intention to purchase specific products and price promotion strategy\textsuperscript{16}. Consumers use a contingency approach in determining how the origin of a product affects their foreign evaluation. The aim of this study was to establish the possible connection between a product’s origin and its evaluation by consumers\textsuperscript{14}. The statistical significance of the results demonstrated that the relationship between these two variables was related to a specific class of products.

The prior research suggested that the country of origin and the quality of products have a positive relationship\textsuperscript{20}. Some countries are stronger in the production of specific types of products than others. Therefore, they are more competitive than others in terms of the production of those commodities. In the case of utility-driven objects, the attitude towards the consumption of these products is high.
The USA is multifaceted in terms of producing different products and therefore the consumer perceives that the products that originate from that country are ethical and safe to consume. Other countries are good at producing specific products; however, due to negative product evaluations by the consumers, the consumption of those products is low. Some consumers consume more products depending on the satisfaction that they intend to obtain from them. Further, prior research evaluated the relationship between product image and country of origin image based on different dimensions. The four dimensions that they used in their research are related to the innovativeness of the products, the prestige of the products, their design and the workmanship that is used in making the products functional. From the evaluation of the willingness of consumers to buy different products, they found that the willingness to buy a specific commodity will be higher when the image of the country is high in terms of producing specific commodities. This shows that the country's image is an important characteristic in regard to the evaluation of products by consumers. For some specific classes of commodities, where a product is manufactured highly affects the buying decision of consumers in the market and thus creates a relationship between the two. Further, it was found that the particular dimension that is used by a consumer in product evaluation is rated according to different product classes. The different classes of products depend on consumer consumption preferences.

Consumer evaluation depends on the familiarity of the consumer with the products that exist in a country. If the consumers have no knowledge about the different products that are produced within the borders of certain countries, then it becomes difficult for the consumer to evaluate products. In that case, the consumers will purchase a product without considering the country of origin. In the evaluation process of the various products that are consumed within an economy, consumers may have an indirect effect on the overall process. When there is a positive review of a product by consumers, it means that they consider the product to be safe for consumption; however, a negative signal shows that there is a threat in the consumption of certain commodities. Consumers who experience the positive effects of product evaluation are stereotypical in regard to decision making and consumers who make negative purchase decisions are cautious with regard to using such products. Consumers consider the consumption of commodities for which the country of origin is known and they pay attention to reviews of products and information about the country of origin. A positive consumer review with regard to the consumption of a specific brand of commodities shows that the consumer has studied the products from that country for some time. Building a high perception about the products that are produced within a given country helps consumers to make solid purchase decisions.

Country of origin plays an important role with regard to product evaluation by consumers. The country of origin affects how much consumers are willing to spend when they buy a product. Consumer intention and consumer perceptions of different advertisements are also influenced by the country of origin. Most managers understand the value of the country from which information originates in relation to the evaluation of products by consumers; that is why they state that product labelling is essential and required by law. Many consumers seek the country of origin information before they make a purchase decision because the brands from that country are important in buying decisions.

In contrast, various changes in country of origin traditions have caused problems in the research. Today, many countries prefer to produce specific products in other countries where labour and tax costs are low in the overall economy. Multinational products have thus presented challenges in the evaluation of such products and their brand image and many consumers have been affected by such challenges. Thus, consumers and managers find it difficult to identify products that are effective for their customers based on the country of origin. The multidimensional nature of products has made most consumer decisions in the evaluation of products to be low. Researchers have evaluated the importance of evaluating a product in terms of its origin country, in terms of where it was designed and assembled and the place of its manufacture. However, brand origin and the country of manufacture are the two most important factors that have been considered in the research of the country of origin's relationship to product evaluation by consumers.

With different multinational characters, the country of origin has been researched to determine how it is affected by the consumer’s product evaluation process. Most countries differ in their manufacturing and production and thus consumers must be cautious in their evaluation process to make their ultimate decision. Depending on the capabilities of the different countries that are involved in a supply chain, production is located in different countries to enable products to be better in the long run. An evaluation will be more negative if a superior brand is manufactured in a developing nation than when it is made in a developed nation. This shows that the consumers are cautious and choose products depending on the country of origin.
Prior research has suggested that US consumers prefer Japanese cars that are produced in the US rather than the cars that are manufactured in Mexico. This is because they consider Mexico to have a lower manufacturing capability that may affect the quality of the vehicles that are manufactured in that nation. In this study, countries with similar manufacturing capabilities have been considered to place customer evaluations on the same level. Products that are manufactured by developing nations receive low evaluations because consumers value the country of origin when their make their ultimate buying decisions. Prior research indicated that consumers prefer simplicity and consistency when they choose products, thus, an inconsistent product can cause consumers to negatively evaluate it. Brand origin and country of manufacture affect the decision to buy a product and the product evaluation process. Product simplicity improves consumer product evaluations and increases positive responses towards a certain product. A lack of consistency reduces the fluency of information regarding a product and therefore reduces consumer evaluations of such products. In addition, products that are manufactured in a developed nation improve consumer perceptions and product evaluations in contrast to products that are manufactured in a developing nation, which tend to receive negative product evaluations. Thus, the following proposition emerges.

**Proposition 2:** There is a significant country of origin effect on customer product evaluation.

**Customer ethnocentrism and brand image:** The prior research defines consumer ethnocentrism, which is based on consumer views in one country (which is known as the in-group) towards products from another country (which is known as the out-group). The theory of consumer ethnocentrism focuses on the favouritism of consumers to consume domestic products over foreign products. The consumption of these products is based on the emotional and the moral consideration of the consumers towards certain products that are produced within national borders. Various studies in this field have found that consumers who are ethnocentric tend to consume more domestic products regardless of their quality. The main reason that might lead ethnocentric consumers to prefer to consume internal products rather than foreign ones is the desire to boost the economy of the country as well as to promote local producers in that country. In measuring consumer ethnocentrism within the promotion of local producers and the promotion of the economic dimension, the use of a CETSCALE as a tool was introduced. This research instrument has been used by many researchers to establish the level of ethnocentrism in various consumers within an economy. The advantage of the scale is that it is consistent in the way that it measures consumer loyalty in the consumption of domestic products within an economy. Most of the studies that are related to consumer ethnocentrism are intertwined with country of origin and brand image. Brand image affects the buying position of consumers; however, for ethnocentric consumers, the significance of brand image is lower. Prior research indicated that ethnocentric attitudes towards buying domestic products are affected by the brand images of the products in the domestic market. When domestic products are perceived to be of low quality, ethnocentric consumers will still prefer to consume that product instead of selecting foreign products, even if they are superior. Consumer ethnocentrism is a normative act that requires consumer preferences in decision making. This shows that consumer ethnocentrism is related to the national identity of consumers and their relationship with the products that are manufactured within given national borders.

Consumer ethnocentrism has unique effects on brand image. Ethnocentric consumers especially reduce their purchase intentions with regard to imported commodities because they have a poor perception and judgement of the consumption of international products. For such consumers, the brand image of domestic products is high and therefore they consider them to be better than imported products. The ratings of domestic products according to ethnocentric consumers are higher than those of foreign products, which is an aspect that leads consumers to consume within their own national borders.

The classification of ethnocentric consumers depends on their identity within their national borders. According to ethnocentric consumers, the home nation is the in-group and foreign nations are the out-group. For these consumers, product quality is held within national borders and that is why they prefer to consume more national products than outside products. For these consumers, brand image is skewed towards the domestic market and thus the relationship between consumer ethnocentrism and brand image is limited to domestic products. Most of the existing research in the market shows the impact of ethnocentrism on consumer choices towards the consumption of specific products within a country’s borders. The majority of the research considers consumer attitudes and the preferences that lead them to consume specific products. The willingness of consumers to buy domestic products and their purchasing intentions are driven by the brand image of products that are produced in
their own country. Their behaviours towards purchasing are
the actual measures of real purchasing by ethnocentric
consumers; however, the relationship is weaker in situations
in which there are environmental and situational variables
within the economy. In situations in which there are
environmental variables and the situational variables are
beyond control, ethnocentric consumers tend to purchase
more imported goods\textsuperscript{29,31,32}. The purchase preference
behaviours of ethnocentric consumers are reduced and they
consume more imported brands. Such products are perceived
to be of high quality and more prestigious in terms of
technological manufacture and therefore they are consumed
more.

There is a reverse relationship between the increase in the
buying of domestic products and the decline in the purchase
of foreign products. The domestic buying bias is greater for
ethnocentric consumers; however, the brand consideration
of such products is low. According to the willingness to buy
domestic products does not imply that there is a decline in the
buying of foreign products\textsuperscript{12,33}. Buying a domestic product
may be in line with the cultural pride of a specific country;
however, that does not necessarily mean that there is a
rejection of foreign brands. In this case, brand image will
remain one of the major considerations of ethnocentric
consumers. Consumer ethnocentrism has an effect on global
brands and this has a positive effect on the purchasing
intentions of customers\textsuperscript{1}. However, the real purchasing of
the individuals is low due to a belief in the improvement
of internal products more than in external products.
Multidimensional products that have been produced within
different countries pose a problem to ethnocentric consumers
because most of them prefer to consume products that are
exclusively made within their country. A good example is cars
that are produced in the US, while the US firms have assembly
plants in China. Ethnocentric consumers will not consume
such products because they exclusively consume products
that are produced within their own country. Through brand
image, consumer ethnocentrism decreases the purchasing
intentions of consumers both directly and indirectly in most
market situations. However, the corporate images of global
firms are not affected by consumer ethnocentrism. Therefore,
based on the prior studies\textsuperscript{10,17,18}, there is significance between
consumer ethnocentrism and the brand images of domestic
products. Thus, the following proposition emerges.

\textbf{Proposition 3:} There is a significant customer ethnocentrism
effect on customer brand image.

\textbf{Customer ethnocentrism and product evaluation:} Consumer
product evaluation, consumer preferences for some products
and consumer buying intentions do not entirely rely on a
product’s brand name or its quality. Additionally, the attitudes
of consumers towards a certain product and the feelings of
the customer concerning the same product also have a large
impact on the product evaluation process\textsuperscript{24}. Ethnocentric
customers have a higher preference for domestic products;
however, non-ethnocentric consumers consume more of the
foreign products. The only products that are not affected by
ethnocentric consumers are dairy products and computers.
This shows that the other products are affected by consumer
ethnocentrism. In the purchasing decision of these goods,
regardless of whether they are ethnocentric or not, consumers
will consume those products. Product evaluation is important
in determining the purchasing decision of ethnocentric
consumers. Domestic products are differentiated with
different qualities and thus the consumer must choose them
in line with their own preferences and feelings\textsuperscript{15}. Consumer’s
attitudes towards products leads them decide whether to
buy a commodity. Because the attitude depends on the
consumer’s preference after a product evaluation, customer
ethnocentrism is related to product evaluation. This is because
consumer ethnocentrism depends on the attitudes and the
feelings of consumers and the purchase choice after product
evaluation depends on their attitudes.

Country of origin depends on consumer loyalty and the
perceptions of the customers towards a certain brand. The
perception of customers towards a certain brand is based on
product evaluation. Therefore, a positive product evaluation
improves the attitude towards a product. Economic, cultural
and the political issues have a positive effect on the attitude
of consuming goods within a region.

Brand preference is influenced by consumer self-concept.
Consumer evaluation plays an important role in the
creation of consumers’ self-identity. Consumer self-concepts
incorporate all the ways in which the consumers evaluate
themselves. The evaluation of consumers is based on product
brands. Using their self-concept and image, consumers can
use a product for social reasons; however, that does not show
that consumers like such products. The evaluation of a
product and the identification of a product image leads
consumers consume more of a product\textsuperscript{4}. The display of goods
in public shows that self-concept principles are used and
therefore the ethnocentrism of the consumers is abolished
during such scenarios because they consume goods
regardless of the origin of the commodity. Most ethnocentric
consumers develop receptive feeling, which leads them to
comply with what they are used to. Most of the countries that
inhibit social events lead ethnocentric consumers to improve
their loyalty to domestic products. The negative evaluation of
foreign products leads ethnocentric producers to consume more local products in the context of social events.

The consumers who have the strongest attachment to their cultures usually consume more domestic products than foreign products. According to the consumer evaluations in this regard, the brand image of domestic products is higher than it is for foreign products. Self-image affects an individual’s consumer perception, which overall determines the commodities that are bought by different individuals. The functional attributes of a product help consumers to decide on the brands to consume. Consumer product evaluations depend on brand image and the symbolic meanings of the products. The symbols that are used help to communicate brand image and this affects the consumer’s decision about products.

A consumer evaluation of a product depends on the self-image of the consumer and the brand image of the product. Most consumers prefer to consume specific types of brands because the brand images of such products are in line with their self-image16. Consumer brand preferences, therefore, depend on consumer’s self-image. This shows that consumer ethnocentrism depends on product evaluations that are made by consumers. Most ethnocentric consumers believe that consuming more internal products is linked to the consumer evaluation of the culture of the country and the traditions of that country. Product quality does not matter for ethnocentric consumers and that is why they consume more domestic products; however, product evaluation is important to consumers because it helps them to choose products that best suit their needs.

The more people know about a product is subject to the fact that they have a high confidence with a product’s brand and the fact that they have positive attitudes towards such products. A high level of knowledge of a product shows that consumers are aware of the product and they are able to distinguish between simple and complex information that is found in a product description. This shows that knowledge has an impact on consumer’s product evaluations. This affects the attitudes of consumers towards the consumption of specific commodity brands. Earlier studies have shown that consumer evaluations depend on the differences among different consumers in different markets and their experiences towards the consumption of specific products9,12,29. Consumer’s familiarity with specific knowledge about a product thus leads them to better evaluate products, which leads to their purchasing products according to their intentions36. The effects of consumer ethnocentrism on the attitude towards buying and brand preference vary depending on the product evaluation. This demonstrates that product knowledge easily affects buying decisions. Therefore, the following proposition emerges.

**Proposition 4:** There is a significant customer ethnocentrism effect on customer product evaluation.

**CONCLUSION**

The relationship between the country of origin, the consumer ethnocentrism, the product evaluation and the brand image has been studied over the years and in all the research done in this field, the conclusions that were made by the different researchers are most significant. In this research too, the relationship between the factors in the literature shows that the different variables are related and there is significance in the variables. However, some of the variables have a weak relationship that might be significant but the relationship between the variables is weak. From the different researches that were done, it is worth concluding that some of the factors used in the research led to each other. Therefore, the brand image and the product evaluation are significant when it comes to the country of origin and the consumer ethnocentrism.

**SIGNIFICANCE STATEMENTS**

The study highlighted the country of origin and consumer ethnocentrism as the antecedents toward brand image and product evaluation. With respect to international marketing practice, this study provided a conceptual framework to examine the mechanism which will affect the market segmentation and customer purchase behavior. This study also provided a guideline for managers developing successful brand strategies and location selection for new product manufacturing.

**REFERENCES**


