

## ПРОИЗХОД, СТЕРЕОТИПИ И ТЪРГОВСКИ МАРКИ ПРИ ВЗИМАНЕ НА РЕШЕНИЕ

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През следващите години произходът на стоката, както и търговската марка ще продължават да бъдат широко използвани като средство за позициониране на продуктите на пазара. Заради нарастването на глобалния пазар е възможно потребителите да се обърнат към произхода на стоките и търговските марки като средство за опростяване на информационния процес чрез изясняване на тези знаци като сурогати и индикатори за качеството на продукта. Не чак толкова отдавна, за потребителите беше много по-лесно да определят страната, производител на продукта. Въпреки това, сега да се определи страната, която произвежда стоката, стана много по-трудно. Някои от въпросите, отнасящи се до тази теза, ще бъдат доразвити в тази статия и ще включват: 1) Какво е практическото управленско приложение на произхода на стоките? 2) Как стереотипните нагласи могат да благоприятстват или да попречат на усилията на компаниите? и 3) Каква е връзката между произхода на стоката и вземането на решение за покупката ѝ.

**Ключови думи:** произход на стока, търговска марка, стереотипи, глобализация.

**Key words:** country-of-origin, brand name, stereotypes, globalization.

### 1. Managerial relevance country of origin effect

Process of globalization markets and increased availability of foreign products present areas where country of origin studies continues to be an important research topic. In global markets consumers have much greater choice, and it is important for marketers to know how consumers evaluate products from different countries. In this circumstances, the increasing use of country-of-origin and brand name cues may be attributed to heightened consumer awareness of foreign products as a result of their exposure on stimuli about foreign countries and their products [1].

Country-of-origin effect can be defined as any influence that the country of manufacture has on a consumer's positive or negative perception of a product [2]. In fact, country of origin is the country in which a given product is considered to have been manufactured. Today a company competing in global markets will manufacture products worldwide and, when the customer is aware of the country of origin, there is the possibility that the place of manufacture will affect product\brand image.

If a country's manufacturers produce of low quality products, there are two alternatives. One is to hide or disguise the foreign origin of the product i.e. that package, label, and products design minimize his of foreign origin. Second alternative is to continue the foreign identification of the product and attempt to change consumer or customer attitudes toward the product.

The country-of-origin effect exists when product choice is influenced by the product's source coun-

try [3]. The "made in (name of country)" label is also an important information for the evaluation of consumer products. The 'made-in' cue can be inferred indirectly through the product's brand name. Brand name also provides for an extrinsic cue to evaluate products [4]. Likewise it has been used to infer and/or maintain quality perceptions and, to represent an aggregate of information about a product [5]. Thus, like country-of-origin, it contributes toward not only the formation of consumer quality expectations but also, consumer purchase behavior, price paid [6], and level of perceived risk. The country-of-origin and brand names interact and contribute to the overall perceived quality of a product.

Researches on the impact country of origin on buyer evaluations of products have been reported in the international marketing literature. Country of origin could influence the buyer's evaluation of the product. Country of origin effect may be less significant than has been generally believed. Country image may serve as a halo effect from which consumers infer product attributes, and it may indirectly affects their brand attitude through their inferential beliefs.

Country of origin of consumer's perceptions is positively influenced for certain products and is unaffected for others. For example, Germany may be viewed as having a quality advantage for automobiles, but a similar perceptual advantage may not exist for their clothing.

In some markets, foreign products have a substantial advantage over their domestic counterparts. One way to reinforce foreign preference is by charging a higher price for the foreign product to take ad-

vantage of consumer tendencies to associate price and quality. The relative position of imported beer in the U.S. premium-priced beer market is an excellent example of this strategy. Similarly, Anheuser-Busch has successes with its Budweiser brand in Europe. In Britain, where it is positioned as a super premium beer, a six-pack of Bud sells for the equivalent of \$7-about twice the U.S. price [7].

The country of origin of a product is an important attribute used by consumers making quality evaluations. Research examining the relative importance of the country of origin cue as one of many attributes including brand name, price and warranty showed that the influence of the country of origin variable was often equal or greater than that assigned to all others. Country-of-origin, therefore, is a useful concept that has strong connections to information processing where cues about the country of origin are used to explain how consumers assess product performances.

Influence of country-of-origin on consumers is far from uniform. In fact, country image is not universal. For example, Swiss watches are preferred in Europe, but in Japan customers prefer Japanese watches. Also, country of origin evaluations as well as a particular country's reputation tends to change over time. If we look at the early country of origin studies related to the auto industry we can find a visible advantage for "Made in USA" cars vs. foreign (especially Japanese); that attitude changed over time. Years ago Japanese products were at a significant disadvantage as American consumers perceived goods from those countries having a lower of quality. This presented a problem for success in the United States. By the mid 1980's that image was changed. These are the use of intangible products and surveys, and a tendency to use single cue. It is a limitation when the country of origin is the only information provided to consumers required to evaluate products. This can bias the results in favor of finding country of origin effects, thus serving as a proxy variable when other information is lacking.

## 2. Stereotypes toward foreign products

Country stereotyping (misperceptions) can present a considerable disadvantage to a firm in a market. Because global marketers should consider shifting production locations to exploit country-specific advantages. Also, country stereotyping can be overcome with good marketing. For example, the image of Korean electronics improved in Western countries once the market gained positive experience with Korean brands

In global marketing there is of stereotyped attitudes toward foreign products. Stereotyped attitudes

may either favor or hinder the firm's efforts. For example, German is synonymous with quality, and Italian is synonymous with design. No country has a monopoly on a favorable global reputation for its products or a universally inferior reputation. Also, individuals in a given country are likely to differ in terms of both the importance they ascribe to a product's country of origin and their perceptions of different countries [8].

Country stereotypes are related with "built-in" images that reflect the tendency for people to associate certain quality and products with certain countries (for example, Swedish steel, Danish beer, US airplanes, English textiles and so on). A product's country of origin is used by consumers as an attribute of the product and has an independent influence on product acceptance.

Country of origin based stereotyping may be universal in nature. However, the degree to which it is applied and the prominence given in the evaluation of the product varies. In fact, consumer sensitivity to the country of origin image diverges by countries, and by the level of consumer knowledge. There is a tendency for consumers to more favorably evaluate their home country products. Consumer preferences are more product specific for industrialized than less developed countries.

National stereotypes and buyer attitudes toward particular countries of origin can affect the way in which export prices are respected in foreign markets. Customer reactions to price and the judgments that customers make will be conditioned by their perceptions and attitudes toward the country of origin of imported goods. For example, if the image of the exporting country held by buyers is favorable and the price of this product is low, it will be good respected in this foreign market [9]. If the price was high, a product from there will be perceived as high quality. If a product comes from country with an unfavorable image, it will be perceived as low quality as well as poor value for the money.

Consumers have many stereotypes about specific countries and specific product categories that they judge "best": Scotch whisky, French perfumes, German cars, Japanese electronics and so on. Stereotyping is typically product specific and may not extend to other categories of products from these countries. Ethnocentrism can also have country-of-origin effects; feelings of national pride- the 'buy American' effect, for example-can influence attitudes towards foreign products. Honda, which manufactures one of its models almost entirely in the United States, recognizes this phenomenon and points out how many components are made in America in some of its ads [10].

Countries are also stereotyped on the basis of whether they are industrialized, in emerging or less developed. These stereotypes are less country-product specific; they are more a perception of the quality of goods produced within the country. Industrialized countries have the highest quality image, and there is generally a bias against products from developing countries. However, within countries grouped by economic development there are variations of image. For example, a microwave oven manufactured in Mexico was perceived as significantly more risky than an oven made in Taiwan [11]. However, for jeans there was no difference in perception between Mexico and Taiwan.

Country of origin has been used as a cue by buyers and sellers to communicate or link a country's national stereotype to products. The country of origin effect is an indicator of country stereotypes or a vehicle for promoting nationalities. Consumers appear to use stereotypes about countries as surrogate indicators of product quality and as a short cut to simplify information processing. This is particularly so in the absence of information and lack of good familiarity.

The country, the brand of product and the image of the company all influence whether or not the country of origin will generate a positive or negative reaction. There is a variety of generalizations that can concern country-of-origin effects on products and brands. Consumers tend to have stereotypes about products and countries that have been formed by experience.

Generally, the more technical the product, the less positive is the perception of one manufactured in a less developed country. There is also the tendency to favor foreign products over domestic ones in less-developed countries. Not all foreign products fare equally well because consumers in developing countries have stereotypes about the quality of foreign products even from developed countries.

The lack of uniformity of product perceptions between countries and products appears to be related to consumers' preconceived stereotype image about a particular country and how well that image is matched by the characteristics of the product [12]. Perceived level of economic and technological development of a nation appears to determine country of origin characteristics to products and services.

### **3. Country of origin as a brand influencing Decision-Making**

Consumers are exposed to brands from all over the world. Often the brands are more known than the country of origin itself. Because customer's perceptions about the country of origin play a key role in his decision-making process.

The fact that a perfume or a wine originated from France will automatically make it a good choice. In the context of international marketing, 'country of origin' as a brand assumes significance. Once the nation is looked at as a brand, the brands from that country are treated by customers as a natural brand extension of that country. However, Nation as a brand is difficult to manage as it involves many more complicated issues than a product [13].

Country branding is much more than adding a "Made in ..." label to a product. A product's country of origin constitutes an important piece of branding that, in many cases, can be so influential it overtakes the brand's other reputation builders. If you tell someone that the next supercar were to come from Germany, he probably wouldn't be surprised. He would probably be immediately curious about it, expecting the fictional vehicle to be of superb engineering and design quality, expensive, and solid. Now imagine yourself surprised by revealing that the forthcoming supercar was actually a product of Serbia. Your impression of the car would be totally different.

Some perfume bottles are accompanied by packaging that bears the label "Paris - New York - London". But, this perfume is not produced in all of those places. Now imagine if instead the packaging read as follows: "Belgrade - Prague - Helsinki - Melbourne." Your first impression of the perfume would be affected by the suppositions you made about the national affiliations. In this case, none of us will believe that any of the cited cities have anything with the perfume's manufacture.

How valuable some countries are for their manufacturers. A high-tech brand coming from Japan seems logical for most of us. The promoting a high-tech brand in, say, the U.S.A., would be easier if the product hailed from Japan than it would be the product hailed from Serbia. Why? Because the product's country of origin — in this case, Japan — has a reputation for producing superior products. Thus, the country establishes the brand's image. Conversely, brands themselves can create countries' reputations. Consider South Korea. If someone asked you to respond to the notion of South Korea 20 years ago, you'd probably have said things like "low quality," "plagiarist," and so on. Today, you're likely to think of high-tech TV set technology and cars when you think of South Korea. And this huge mind shift is purely thanks to Samsung, Daewoo and other brands. So, the brands create countries' reputations and that countries create brands' reputations. This is a very interesting theory to keep in mind the next time you have an opportunity to create a new brand. The theory should not only make you consider what val-

ues your brand should stand for, but also where it should be manufactured.

The key to success in global market is finding the right brand for product and exploiting it. Even though a nation's identity is a bundle of different images, the resultant blur can be cleared if a dominant brand is discovered. This brand should be potent enough to push all other brands.

It is rarely that a consumer can form complete image of a country. When buying a particular product customer considers the reputation of the country of origin in that product category. This reputation, which can be termed as reputation capital, is mainly based on the consumer's beliefs about the particular country. The association the customer has with the country can determine his brand associations (for example, Japan manufactures the best TVs in the world). This characteristic of Japan has a rub-off effect on all the products coming from Japan.

Constraints on the consumer's time and resources prompt seeking of shortcuts in purchase decisions. Brand images that serve the purpose of deciding in case of products also hold good for the country of origin. Finally, some brands have successfully managed to integrate the principal image of the country in their brand-building efforts. For example, brands like Coca-Cola and Pepsi have incorporated the sense of freedom, an attribute that is flaunted by American society.

### CONCLUSION

The country of origin concept has become even more important with the increase of globalization markets and with the ability of corporations to produce goods in more than one country. Just as companies identify and attempt to sustain their core competencies, they need to repeat the exercise for the nation's image. The identity of a country is what a consumer interprets and constructs about the country in his mind. This is a result of multiple images that the customer's mind generates over time. The customer's associations with a country's history and present will drive his perception of it.

Whether a firm is effective in positioning her brand on foreign or target markets depends heavily upon the extent to which any country-of-origin stereotype enters into the importing country's buyer's evaluating process. Country stereotype can shift the position of a product in the perceptual space of buyers and thus alter the evaluation of its values.

Product with known of the brand name has the ability to increase the consumers' willingness to pay a high price for it. In such a situation, the strong reputation of the brand name would have the potential to compensate to some extent, the less than de-

sirable country-of-origin image of the product firm. Both country-of-origin and brand name have influence in consumer perceived risk. Because both cues marketers may use for managing consumer of expectations.

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## **COUNTRY OF ORIGIN, STEREOTYPES AND BRAND OF DECISION-MAKING**

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### **ABSTRACT**

Country-of-origin and brand name will remain widely used as a means of positioning of products to markets in the years to come. Because the grow of globalization markets consumers are likely to turn to product origin and brand name as a means of simplifying information processing by treating these cues as surrogate indicators of product quality. Not so long ago it was much easier for consumers, and custom officials alike, to define the country of origin products. However, examining country of origin has become much more difficult now. Some of questions regarding this construct will be elaborated in this paper and are including: 1) What is managerial relevance the country of origin product? 2) How stereotyped attitudes may either favor or hinder the company's efforts? and, What is relationship among the country-of-origin and decision-making about brand.