



## The Role of Purchase Tendencies Data in the Transformation of Foreign-Made Products Consumption in China

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### ABSTRACT

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This paper introduces the concept of consumption data in the Chinese online marketplace including the examination of various purchase tendencies' statistics discovered on product descriptions associated with relevant keywords. The distinction between consumption data and consumer trends in the Chinese online market is unrelated through acquisitions and time. Literature introduces the concepts of purchase willingness, stereotyping, and consumer ethnocentrism; interpreting them regarding consumer tendencies in later sections. Consumption has grown during the last years in China; demonstrated by the examination of purchase numbers effected by local consumers through several online platforms. Findings confirm significant consumer preferences patterns for products correspondent to the most popular categories in the online marketplace. Based on the discoveries, corporations are provided with recommendations for utilizing consumer tendencies data as a strategic instrument to improve production based on local customers' needs, preferences, and trends.

### 1. Introduction

The investigation focuses on discovering the essential elements that influence Chinese consumers' purchase willingness of foreign-made products from particular countries available in the online marketplace, in concern whether the foreignness condition of a product makes them more or less preferable. Taobao Online marketplace (“淘宝网” in simplified Chinese and “digging for treasure” in English) from the People's Republic of China has been selected as study context to collect Chinese consumers' purchasing market statistics throughout a year-period. Subsequently, the investigation' analyses identified three main relevant effects responsible for Chinese consumers' purchase willingness towards foreign-made products: (a) country-of-origin; (b) stereotypes; (c) ethnocentrism. The investigation reveals Chinese consumers' demand for imported but locally-customized products is hastily increasing, and it may have direct implications for multinational corporations' product development and pricing strategies. Furthermore, the variability in preferences is associated to individual countries of origin; Chinese consumers stereotype particular countries, and local producers utilize this condition to market goods. The development of homemade duplicated versions generates extensive lists of similar deceitful products and a confusion state in the consumers' minds ruled by misperception; influencing Chinese consumers' preferences to purchase “disguised homemade versions” of products instead of foreign-made ones due to pricing and capabilities to satisfy local customers' needs.

Country-of-origin enable consumers to make the purchasing decision process quicker; utilizing it at times when no other material cues are available upon which consumers can rely on shaping opinions to make decisions; in the Chinese market it is used as main part of the marketing strategy of foreign-made products sold online. Utilizing country-of-origin as a positive association creates and reinforce on Chinese consumers a positive attitude, perception, evaluation, and preference towards foreign-made products.

### 2. Literature Summary

Perceptions that consumers hold of products from a particular country, as well as the feelings towards the people of that country, contribute to shaping the concept of country stereotype or geographic origin (Papadopoulos and Heslop, 1993). Stereotypes are a critical variable in multinational corporations' development for foreign markets, principally the ones with unique characteristics from the home-market. Particular studies propose that products from countries considered culturally similar to the home country, in contrast to the culturally different, are preferred (Nagashima, 1970; Crawford and Lamb, 1981; Wang and Lamb, 1983; Papadopoulos, 1990; Heslop, 1998).

Geographic origin provides an emotional cue for product quality judgments, but, in addition, has affective and normative connotation (Verlegh and van Ittersum, 2001). For the basis of this investigation, a comprehensive review and analysis of the primary literature on country-of-origin was carried on. Preceding studies are utilized to develop a hypothetical structure for

modeling the investigation of the study subject; outlined by those major factors that have been reported to persuade and influence the effects in the willingness to purchase process.

### 2.1. Country-of-Origin

The definition of country-of-origin or made-in label distinctly describes a relevant process able to influence consumers' purchase willingness. It corresponds to the location where the headquarters of the company marketing the product are (Johansson, Douglas, and Nonaka, 1985). It can mean manufactured-in (Cattin, 1982), engineered-in, designed-in (Chao, 1993; Ahmed, d'Astous and d'Almeida, 1995), assembled-in (Ahmed, 1995), and often "wanting to look like it was made-in" (Papadopoulos, 1993). Additionally, consumers hold defined awareness of a country influencing their purchase willingness (Nagashima, 1970; Bilkey and Nes, 1982; Roth and Romeo, 1992; Chao, 2005) that can be affected by several causes; mainly by mass communication and personal experience. It influences consumers to make fast decisions in two possible circumstances: when product attributes involve complexity or when there is a lack of comprehensive information available (Granzin & Olsen, 1998).

Country-of-origin corresponds in the literature as a crucial signal that might be used by marketers to persuade, influence, or modify consumers' judgment of a brand, product, or service. Several researchers have formerly studied its consequences on consumer perceptions, evaluations, and purchase willingness of products; arguing that country-of-origin of products is not more than one of the several cues available to consumers. Researchers also discuss that country-of-origin can not necessarily lead to a competitive advantage establishing prices, particularly due to the emergence of hybrid products (Han, 1988; Chao, 1993, 2005) where each country justify and explain their prices with their quality arguments. Purchase willingness' most significant influence corresponds to consumers' knowledge of a product's country of origin (Bilkey and Nes, 1982).

### 2.2. Stereotype

Stereotyping is a universal concept. The term was formerly used by Lippmann in 1922 referring to "pictures in our heads" that we use to apprehend the world (Seiter 1986). Darling and Kraft (1977), proposed that additional variables such as experience or reputation might also remain considered when examining the impact of made-in labels. Cattin's findings (1982) supported that consumers sharing similar cultural values tend to be similar in their evaluations of made-in levels and to stereotype; the fewer information purchasers know about a firm, brand, or product, the greater the impact of the country-of-origin and the more significant stereotypes remain considered for decisions. Maheswaran's results (1994) indicated that when attribute information was unambiguous, both expert and novice consumers used country-of-origin differently in evaluations; varying in the processing of common information. Country-of-Origin stereotypes remain profoundly influenced by ethnocentrism (Hooley, 1988; Lee, 1992; Stolman, 1992).

The first researcher to conduct country-of-origin studies was Reiersen in 1966; investigating whether or not preconceived notions consumers have about foreign products are national stereotypes rather than opinions about products. Study respondents assessed products the made-in USA higher indicating evidence of stereotyping.

Schooler in 1965 first examined country-of-origin bias as influencing product evaluation. Nagashima in 1970 found that

Japanese consumers assessed products made-in-Germany higher, followed by UK, US, Japan, and France. Nagashima in 1977 reported that images of Japanese, German, and French products had improved, and UK image had deteriorated, suggesting that national stereotypes change over time. Gaedeke in 1973 extended the idea of national stereotyping to products from developing countries. Gaedeke investigated the opinion of US consumers towards the quality of imported goods and categories made-in various developing countries including the USA; US products meant rated first. Gaedeke concluded that country-of-origin information did not affect opinions about the quality of branded products.

### 2.3. Consumer Ethnocentrism

Consumer Ethnocentrism corresponds to the belief held by consumers about the appropriateness of purchasing foreign-made products. Sharma (1995) noted that consumer ethnocentrism might result in an overestimation of the attributes and overall quality of home-made products and an underestimation of the quality of foreign-made products in countries where there is unfamiliarity with foreign goods and brands (Ettenson, 1988; Phau and Prednerkast, 2000). Consumer's ethnocentrism and its consequences in developing countries remain uncertain due to its early stage of research, but generalities apply; the more ethnocentric a nation is, the less favorable their consumers' attitudes are toward imported products (Pan and Lindquist, 1999).

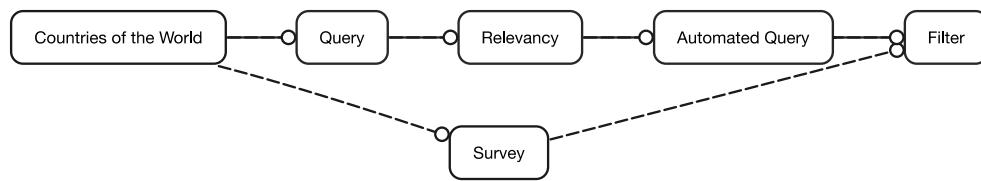
Consumer Ethnocentrism is the belief held by consumers about the appropriateness of purchasing foreign-made products. Sharma (1995) noted that consumer ethnocentrism might result in an overestimation of the characteristics and overall quality of homemade products and an underestimation of the quality of foreign-made goods. Consumer ethnocentric tendencies have become a critical variable influencing consumer attitudes toward brands (Netemeyes, Durvasula, and Lichtenstein, 1991; Sharma and Shimp, 1992). Actual country-of-origin research has demonstrated a tendency of consumers to prefer homemade products (Han, 1988; Hong and Wyer, 1989; Papadopoulos, 1990). Ethnocentrism has been found to impact consumers' evaluations of product attributes and purchasing willingness (Yaprak and Baughn, 1991). Homemade or domestic goods remain preferred over foreign-made ones in countries where: (a) consumers have a strong sense of patriotism (Reiersen, 1966; Nagashima, 1970; Baumgartner and Jolibert, 1978); (b) the domestic economy is threatened by foreign-made goods (Heslop and Papadopoulos, 1993); (c) there is availability of product serviceability (Han and Terpstra, 1988); and (d) there is unfamiliarity with foreign goods and brands (Ettenson, 1988; Phau and Prednerkast, 2000).

## 3. Data and Methodology

### 3.1. Data

Data collection was structured as twenty keywords in simplified Chinese, queried from Taobao online marketplace (i.e. country names and product names) every Monday and Friday throughout a year-period time. The query envisioned to study, as the main objective, the assessment of Chinese online consumers' beliefs and awareness about country stereotypes and the products made in those countries. The investigation gathered primary data for analysis. Principal data classes, for instance "product category," "price," "purchased quantity," "product origin," and "product name," granted the creation of a "country profile" and a "product profile." After filtering the data, three main variables

were studied: “price,” “quantity,” and “country of origin.” The following diagram represents the data filtering criteria.

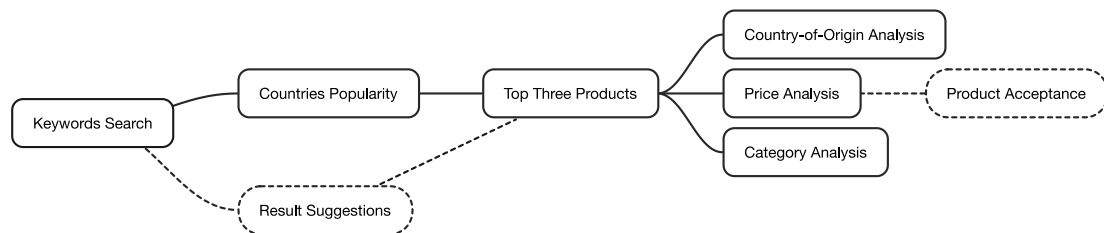


**Figure 1:** Simplified schema of first and second query

The first query (figure 1) returned results that were filtered; those countries with more than fifteen dissimilar products were considered as “relevant countries;” countries with the highest relevancy were chosen for the study purposes and were subsequently queried during a year-period time. In parallel, an online survey was carried out to acquire the “ten most known countries” by Chinese consumers (three times: beginning, middle, and end of the year period); and lastly, variations between results were evaluated and categorized for meet the investigation purposes. The first query returned results that were filtered; those countries with more than fifteen dissimilar products were considered as “relevant countries;” countries with the highest relevancy were chosen for the study purposes and were subsequently queried during a year-period time.

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Subsequently, to query the selected relevant keywords, countries with high popularity mean to be sorted by relevancy, results filtered, and the “top three products” from each of them categorized and analyzed regarding country-of-origin, prices, and classes; the product with the highest relevancy signified further consideration.



**Figure 2:** Simplified schema of keywords search

Results suggestions are taken into consideration and the concept of product acceptance is, consequently, the result of the purchase analysis. The experiment was designed to examine the influence of culture, principally represented by naming strategy and pricing strategy in the Chinese consumer purchase process, regarding diverse products’ countries of origin. It considered observed market data aiming to answer five relevant questions: (a) what is the role of purchase tendencies data in the future of product consumption? (b) which countries enjoy higher levels of purchase willingness by Chinese consumers in the Chinese online market? (c) are Chinese consumers aware of the respective country of origin of the most relevant products present in the online marketplace? (d) which are the well-known products from the countries with high relevancy? (e) what is the role of the

homemade products and local duplicates regarding the foreign-made versions of those products?

The central outcome of the experiment consisted in “survey” and “experiment” country ranks. Survey ranks are expressed as the position of the country awareness obtained from the survey of one thousand people through an online platform. Oppositely, experiment ranks are expressed as the position of the country awareness obtained from the observed market data composed by twenty countries, three products from each country, and a total of ninety-six entries corresponding to ninety-six queries. The following table resumes the observed market data filtered acquired.

**Table 1:** List of countries sorted by units of products purchased by Chinese consumers

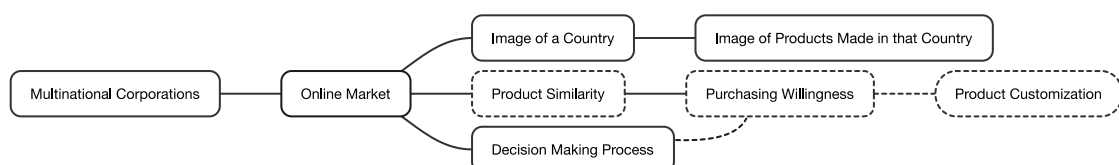
Country of Origin	Experiment Rank	Survey Rank	Brand Name	Product Category	Product Origin	Units Purchased	Average Price (RMB)
Korea, South	7	3	Nature Republic*	Skin Care	China	617509	20
Switzerland	17	17	Binger*	Watch	China	278941	258
Thailand	8	11	Fibroin*	Skin Care	China	265991	12
Netherlands	10	12	Friso*	Milk	China	164018	547
Belgium	16	16	Lila*	Cookies	China	124347	56
Greece	18	18	Agric*	Olive Oil	Greece	95328	60
New Zealand	4	10	Baihuami	Honey	China	83402	85
Germany	6	6	Jiayunsi	Candies	China	79281	34
Singapore	15	8	Koka*	Noodles	Singapore	49495	31
Spain	14	14	Layier*	Wine	Spain	49113	103
Russia	19	19	Kpokaht*	Candies	China	39774	40
Chile	20	20	Shanghaipudong	Cherries	Chile	38716	202
U. Kingdom	2	2	Vkweiku	Clothes	China	30802	59
France	11	9	Guyennoise*	Wine	France	30117	230
Japan	9	15	Buniben*	Cookies	Japan	28657	36
United States	1	1	Yishiming	Candies	China	17221	75
Sweden	13	13	Lelo*	Skin Care	Sweden	13211	627
Australia	3	4	Botany Bay*	Wine	Australia	10132	80
Italy	12	7	Hanchang	Pasta	China	6294	172
Canada	5	5	Baby D Drops*	Baby Care	Canada	4405	134

**Note:** including brand names, categories, countries of origin, and average prices. The examined sample consisted in three countries from the American continent, five countries from Asia, ten countries from Europe, and two countries from Oceania; sixteen of them corresponded to developed nations, and four corresponded to developing nations. \*English named brands; corresponding to seventy percent of the total.

### 3.2. Methodology

After reviewing all previous findings from literature, the study collects data of Chinese sellers' marketing approaches of foreign-made products in the Chinese online marketplace including: naming strategy, pricing strategy, and precedence strategy. The study compares literature findings with observed market statistics intending to validate the general stereotyping phenomena for the particular case of Chinese consumers in the Chinese online marketplace intending to discover consumption patterns. The primary method of data collection consisted of keywords search performed on the marketplace website; with the purpose of sampling as much country diversity as possible among statistics thus, a demonstrative view could be extracted from source. A list of all countries of the world was utilized to perform search

queries, and countries without relevant results were unobserved; countries with at least fifteen different results were considered. One of the fundamental reasons and major aiming of utilizing observed market data instead of questionnaires as research methodology was to apply big-statistics to uncover and explore realism, representativeness, and to skip assumptions (Patton, 1990). Market data collection was carried out with a customized application in charge of performing queries during a year period of time with certain recurrences to ensure an illustrative sample of data and patterns. Besides the market data collection, an online questionnaire was conducted with one thousand respondents three times along during the data collection period; the primary objective of the questionnaire was to seize a rank of the known countries that Chinese consumers keep in mind.

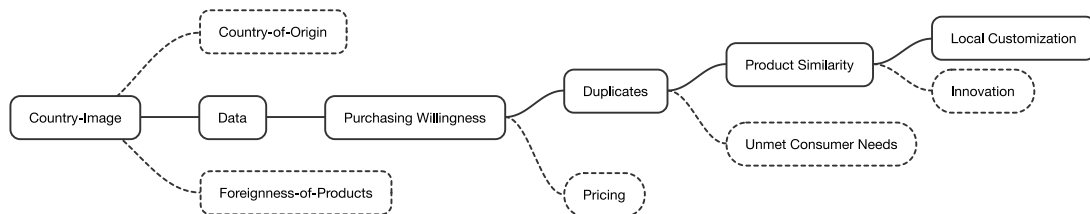


**Figure 3:** The figure abridges the multinational corporations approach to the Chinese online marketplace and the decision making process of Chinese consumers when purchasing

**Note:** the simplified schema underlines product similarity as key factor in the purchase willingness of foreign-made products and propose a supplementary process of product customization as purchase willingness enhancer for future strategies

Several studies have investigated consumers' purchase willingness of products from particular countries; considered as valuable guides for this research. Roth and Romeo (1992) established that "desire to acquire a product from a given country will be high when the country-image is also an important

characteristic of the product category." Johansson (1985) proposed that "previous experience with a particular country and or product category may influence the country of origin effect." Moreover, Han (1989) recognized "the role of ethnocentrism in consumers' willingness to purchase."



**Figure 4:** Simplified schema of the relationship between country-image, purchasing willingness, and local product customization

**Note:** data analyses demonstrated the existence of duplicated products, with principle based on product similarity endeavoring a significant early stage of local product customization

#### 4. Findings and Analyses

Using the observed market data collected from the Chinese online marketplace; the investigation assesses the obtainability, consumer purchasing decisions, and consumption patterns of foreign-made and homemade products, revealing strong stereotyping tendencies; Chinese consumers utilize country-of-origin to categorize and purchase foreign-made products and homemade products alike. Country-of-Origin is employed in the way of stereotypes by Chinese consumers to simplify the decision-making process by providing a shortcut (Askegaard and Ger, 1998) when choices can produce misperception. China imported over \$1 trillion worth of goods and services in 2014, duplicating 2013, and the first half of 2015 have duplicated 2014 (Chinese Ministry of Statistics Bureau); the lives of Chinese consumers are connected to international markets more intensely than ever before through online marketplaces. The examined observed data consisted in a total of twenty countries marked as

relevant; choosing the tree products with the highest foreignness from each country for further analyzes. The following table resumes both ranks, contrasted with the various Human Development Index (HDI), the Human Development Index rank, country development statuses, and the corresponding continent.

##### 4.1. Summary of Findings

Summary of findings present the research discoveries of the market observed data analyzed regarding the foreign-made products available in the Chinese online marketplace and the correspondence among the variables comprised. The correspondence between countries of origin, prices, and purchase quantities firstly summarized as a "halo construct attitude" from Chinese consumers towards foreign-made products due to the high correspondence between the survey results and the experiment results.

**Table 2:** List of countries ranked by survey and experiment within the Human Developed Index (HDI), developing status, and belonging continent

Considered Countries	Survey Rank	Experiment Rank	HDI Rank	HDI (2014)	Development Status	Continent
Australia	3	4	2	0.933	Developed	Oceania
Belgium	16	16	21	0.881	Developed	Europe
Canada	5	5	8	0.902	Developed	N. America
Chile	20	20	41	0.822	Developed	S. America
France	11	9	20	0.884	Developed	Europe
Germany	6	6	6	0.911	Developed	Europe
Greece	18	18	29	0.853	Developing	Europe
Italy	12	7	26	0.872	Developed	Europe
Japan	9	15	17	0.890	Developed	Asia
Korea, South*	7	3	15	0.891	Developed	Asia
Netherlands	10	12	4	0.915	Developed	Europe

New Zealand	4	10	7	0.910	Developed	Oceania
Russia	19	19	57	0.778	Developed	Asia
Singapore	15	8	9	0.901	Developing	Asia
Spain	14	14	27	0.869	Developed	Europe
Sweden	13	13	12	0.898	Developed	Europe
Switzerland	17	17	3	0.917	Developed	Europe
Thailand*	8	11	89	0.722	Developing	Asia
U. Kingdom	2	2	14	0.892	Developed	Europe
United States*	1	1	5	0.914	Developing	N. America

**Note:** Three points of interest are highlighted: South Korea signified the most sold product, Thailand shown the cheapest product existing, and United States represented the top of mind country\*

Examining market observed data allowed the analyzes and understanding of the premises for each country of origin; revealing the countries from where Chinese consumers were more aware and held higher purchase willingness levels during the defined period of the experiment. Study findings explain positive stereotyping from Chinese consumers towards eighteen countries and neutral stereotyping towards two; subsequently presented by country, product, and price.

#### 4.2. Analyses and Implications

Purchase willingness corresponds to the inclination to pay for a product; willingness to purchase provides the threshold of entering the market, which is the previous step before purchasing (Soler, 2004). The next table presents the countries with high purchase willingness and the ones with low purchase willingness. Products with the highest amount of sells, together with the least quantity of sells, concentrate each, two high prices and two low prices; situating average rates in both different situations. Results of the amount and price situation demonstrate that products concentrating sold large numbers are altogether made-in-China.



**Figure 5:** Resume of homemade and foreign-made preferred product categories by Chinese consumers in the online marketplace

Pricing strictly relates to the product category: low price for skin care, accumulating the majority of sells with forty-three percent. Oppositely, high priced imported skin care products concentrate zero point eight percent of sells. Watches, particularly advertised as foreign-made but homemade, are a product directly associated with conspicuous consumption or consumers' desire to provide prominently visible evidence of their ability to afford luxury goods (Piron, 2000), situating Switzerland in the second place of products sold. Milk is directly associated with baby care category, situating Netherlands in the favorite position with homemade baby powder formula. Wine and pasta are two available product categories in the Chinese marketplace, with high adoption of products from Spain, France, Australia, and Italy.

**Table 3:** List of countries and the respective product category stereotyped, their country of origin, units of products purchased by consumers, and the product average price

Country of Origin	Product or Category	Product Origin	Units Sold	Average Price	Country of Origin	Product or Category	Product Origin	Units Sold	Average Price
Korea, S.*	Skin Care	China*	617509	20	Russia	Candies	China	39774	40
Switzerland	Watch	China*	278941	258*	Chile	Cherries	Chile	38716	202
Thailand*	Skin Care	China*	265991	12	U. Kingdom	Clothes	China	30802	59
Netherlands	Milk	China*	164018	547*	France	Wine	France	30117	230
Belgium	Cookies	China*	124347	56	Japan	Cookies	Japan	28657	36
Greece	Olive Oil	Greece	95328	60	U. States	Candies	China	17221	75
New Zealand	Honey	China*	83402	85	Sweden	Skin Care	Sweden	13211	627*
Germany	Candies	China	79281	34	Australia	Wine*	Australia	10132	80
Singapore	Noodles	Singapore	49495	31	Italy	Pasta	China*	6294	172
Spain	Wine	Spain	49113	103	Canada*	Baby Care	Canada	4405	134

Amidst consumer's survey done first, answers matched between study and experiment in ninety percent of the countries. The results from this table demonstrate that Chinese consumers hold certain stereotypes from countries—in some cases, without have purchased a foreign-made product from any of the affected

countries, validating the previous research describing that Chinese consumers tend to perceive imported products as superior to domestic (Wang, 2000). The next table displays the counterparts between survey and experiment.

**Table 4:** Categories matching: consumer's stereotypes (from survey) from different countries of origin highly coincide with the products available in the Chinese online marketplace (experiment)

Country of Origin	Category in Survey	Category in Experiment	Country of Origin	Category in Survey	Category in Experiment
Korea, South	Skin Care	Skin Care	Russia	Chocolate	Candies
Switzerland	Watch	Watch	Chile	Cherries	Cherries
Thailand	Skin Care	Skin Care	U. Kingdom	Clothes	Clothes
Netherlands	Milk	Milk	France	Wine	Wine
Belgium	Chocolate	Cookies	Japan	Candies	Cookies
Greece	Oil	Olive Oil	United States	Candies	Candies
New Zealand	Honey	Honey	Sweden	Skin Care	Skin Care
Germany	Candies	Candies	Australia	Wine	Wine
Singapore	Snack	Noodles	Italy	Pasta	Pasta
Spain	Wine	Wine	Canada	Baby Care	Baby Care

The overview of conspicuous consumption (Piron, 2000) is essential to understand Chinese consumers' behavior when preferring homemade products. Driven by a desire to impress others with their ability to pay exceptionally high prices for prestige products (Yang, 1981; Wong and Ahuvia, 1998), conspicuous consumers are inspired by the group rather than the monetary or physiological usefulness of products (Mason, 1981). Chinese consumers with resilient conspicuous consumption may have higher intentions to purchase foreign-made products from developed countries. Oppositely, ethnocentric Chinese consumers may have higher aims to acquire homemade products. Conspicuous consumption counteracts ethnocentrism (Ger, 1993).

Five countries dominate the foreign-made products market in the online marketplace having no significant similarities with the homemade products available. Suggested is that, the more important the country is, the higher the level of willingness to purchase consumers will have. Contrary, the more geographically far is the country, the less relevance it holds. Significantly, Chinese consumers think about the United States as the important country, but do not purchase products from United States. Chinese consumers have most favorable beliefs and purchase willingness in products from (in descending order) South Korea, Switzerland, Thailand, Netherlands, and Germany. From the top three countries with more sold products, South Korea, and Thailand holds higher Purchase Willingness due to their cultural similarities and geographical proximity. Chinese consumers have a preference for categories relevant to their cultural background; skin care with precedence from (in descending order) South Korea, Thailand, and Germany. Baby care (milk powder) (in descending order) with precedence from Netherlands, Germany, and Canada. Moreover, food with precedence from (in descending order) Germany, Singapore, and Sweden; prices and Chinese consumers' preferences are positively implicated. Switzerland has the highest price and most sold products while Thailand has the lowest price and most marketed products.

Products from Sweden held the highest rate (RMB627, skin care category) and products from Thailand, held the lowest price by (RMB12, skin care category).

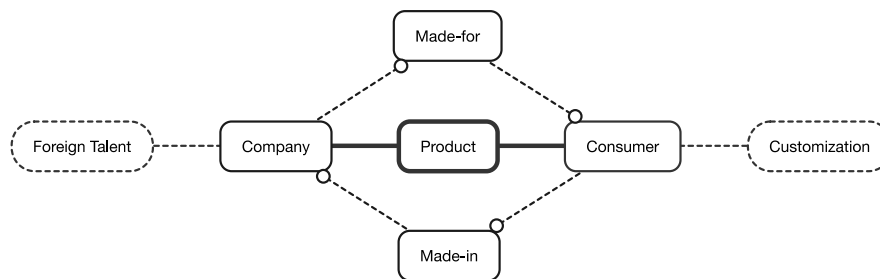
## 5. Conclusions and Future Research

Globalization offers challenges and opportunities for international traders, and new policies provide Chinese consumers more foreign-made product choices than ever before. Nonetheless, Chinese consumer attitudes toward products made-in foreign countries have not been of interest to consumer behavior researchers at all. Commonly, consumers have a general preference for domestic over foreign goods, particularly when they lack information about the product (Bilkey and Nes, 1982; Wall and Heslop, 1986, 1989). With the purpose of risk-decreasing bias concerning products made-in developing countries and a nationalistic bias against foreign-made products (Bilkey and Nes, 1982). The tendency of Chinese consumers to be ethnocentric represents their beliefs about the suitability and ethical rightfulness of purchasing foreign-made products (Shimp and Sharma, 1987); preferring homemade goods because of the beliefs that products from their country are the best (Klein, 1998). Furthermore, consumers in developed countries tend to perceive domestic products as being of higher quality than imported goods (Morganosky and Lazarde, 1987; Damapour, 1993; Elliott and Cameron, 1994). Although the opposite is exact for consumers in developing countries (Bow and Ford, 1993; Sklair, 1994; Wang, 2000). Chinese consumers have high purchase willingness levels toward products, which come from developed nations, even when products are homemade versions branded as foreign-made products as discovered. Previous studies have suggested a complete correspondence between the evaluations of domestic products and a country's level of economic development (Gaedeke, 1973; Wang and Lamb, 1983). The findings of this study have revealed several implications for marketing experts and global corporation strategists.

### 5.1. Conclusions

Consumers' evaluation of the quality of homemade and foreign-made products will influence their purchase preferences, and the impact of ethnocentrism on purchase willingness will be different between purchasers from developing and developed countries, particularly when the products stand related to conspicuous consumption and developing countries as China. Consumers in developing countries frequently regard foreign-made products as status symbols (Mason, 1981; Ger, 1993; Alden, 1999; Batra, 2000). Perceived product quality and significant benefits that Chinese consumers acquire from foreign-made products neutralize the influence of their ethnocentrism. It is noteworthy that fifty-five percent of the countries studied were part of the marketing strategy of homemade products. With particular emphasis on the detail that the products marketed using South Korea, Switzerland, Thailand, Netherlands, and Belgium (accumulating seventy-two percent of all the studied countries' sells), were homemade products conforming the top five countries in the studied list.

Consumers are believed to make decisions about the quality of products by a process of acquisition, evaluation, and integration of informational stimuli or signals, which can be inherent or extraneous (Rao and Monroe, 1989). When essential signals cannot be easily assessed ( a particular case of the online marketplace; consumers cannot touch or taste before purchase), consumers make greater reliance on extrinsic cues. This is particularly certain for low-involvement products since the cost of evaluating introduce signals that may significantly outweigh the benefit (Zeithaml, 1988). External cues, particularly price and brand names, were discovered as being critical factors used in the evaluation of foreign-made products by Chinese consumers; it is entirely consistent with the literature assessment carried out. Top sold products share common characteristics in their prices, names, and countries of origin. These shared characteristics act as the basis for future development of an integrative theory regarding how Chinese consumers use country-image information in forming stereotypes and in the purchase willingness of foreign-made products.



**Figure 6:** Key factors for integrative theory: stereotyping data tendencies from Chinese consumers is proposed to be utilized to estimate manufacture and produce customized products on-demand

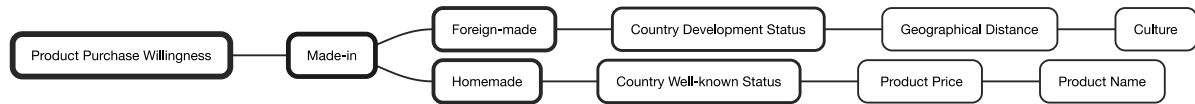
Evidence supports consumers' demonstration of willingness to acquire at premium prices for manufactured goods from developed countries (Wang and Lamb, 1983; Hulland, Todino, and Lecraw, 1996). Such as skin care products from Sweden, milk from Netherlands, cherries from Chile, wine from France and Spain, and baby care products from Canada. These foreign-made products represent forty-five percent of the entire countries from the studied list. Consumers demonstrated unintentional inclination for homemade products (Bilkey and Nes, 1982; Hong and Wyer, 1989; Samiee, 1994), particularly when homemade products do not have better quality or price (Gaedeke, 1973; Darling and Kraft, 1977; Wall, 1986). In this case, sixty-five percent of products from the studied list of countries were homemade versions of products that utilized country-of-origin for marketing purposes, such as skin care products from South Korea and Thailand, cookies from Belgium, honey from New Zealand, clothes from the United Kingdom, and pasta from Italy.

Chinese consumers prefer foreign brand names and international product names (see table 3.1), but at the same time, they do choose homemade products over foreign-made ones for certain product categories (particularly low involvement products) deliberately and not deliberately; with high confidence

concerning quality. Regarding their understanding of brands origin, Chinese consumers' ethnocentrism and stereotyping can be pondered as substantial keys able to guide multinational corporations' efforts on how to produce and sell in the Chinese online and offline marketplace, and how to utilize data tendencies for transform production of foreign-made products. Marketing specialists, subsequently, cannot treat country-of-origin as a self-contained general marketing communicational plan. Furthermore, experts need to deliberate the effects and interconnectedness of other beliefs and purchase intentions influences of Chinese consumers.

This study assesses the relevance of extrinsic cues (price, name, origin, and brand) in Chinese consumer purchasing decisions since end customers became involved in the research and indirectly assess the relevance of intrinsic cues. The results imply that Chinese consumers consider country-image as a high overall high-level signal when purchasing. It seems clear that in particular product categories, the name of individual countries has become inextricably associated with a perception of "best quality" for specific products from that country or products that market under the label of made-in that country.





**Figure 7:** The interaction among effects is showed in the next figure; it explains how Chinese consumers choose if a foreign-made product and a homemade product is eligible to be purchased (in both cases country-of-origin is utilized for marketing)

### 5.2. Future Research

The impact of country-image on Chinese consumers' attitudes and particularly on Chinese consumers' willingness to purchase foreign-made products is evident; country-image enables consumers to make the purchase decision process quicker. Country-of-origin is in times when no other tangible cues are available upon which purchasers can rely on forming attitudes to make decisions, but in the Chinese market (online as examined), it is utilized as the primary part of the marketing strategy of every foreign-made product sold. When selling foreign-made products in the Chinese market, using country-image as an active association with the country-of-origin creates on Chinese consumers a positive evaluation and preference towards the most foreign-made product. Turns relevant to understand the role and importance of country-image, therefore, country-of-origin on Chinese consumers' purchase willingness. It is significant due to the improvements that can be effected on the strategies of multinational corporations when entering the Chinese market for craft competitive advantages with the intention of transforming Chinese consumers' consumption over other multinationals and local Chinese companies.

The present investigation acts as a first step in the understanding of how corporations can utilize the analyzes of consumption tendencies to manufacture in a customized way. It is plausible as next step to examine the aspects of how product-country images affect consumers' attitudes regarding particular products, considering its implications and intend to reconcile the lack of cultural understanding from multinational corporations. Future research should study the characteristics of products and enable predictions patterns for product design and strategies development, contributing to consumption transformation.

### 5.3. Questions

Research questions are a way to explore the problems that arise through the development of the investigation and they are relevant to suggest investigation continuity. The following questions are the most relevant for the development of future investigation founded on this basis research on Country-of-Origin and Chinese consumers' purchase willingness: (a) Can purchase willingness be managed and manipulated? (b) Are beliefs of country-of-origin reversible or irreversible? (c) Does the product duplicates stimulate the purchase willingness of products from particular countries? The role of tendency data is unblemished, it can assure consumption transformation; it is turn of multinational and local corporations to understand the importance of statistics when developing new products and strategies.

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This investigation was conducted due to the curiosity of the author about the Chinese consumer behaviors and the genuine

interest observed in Chinese consumers' attitudes toward foreign-made products and foreign societies and individuals: Chinese consumers tend to identify foreign-made products as superior to domestic (Wang, 2000). The emphasis on social reputation as part of Chinese cultural values makes the environment idyllic to examine the effects of conspicuous consumption based on the country of origin of products.

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