Chapter 14
Perceived Positioning of 'Made in China':
Perspective of Means-End Theory

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ABSTRACT

Marketing a product to global consumers is a challenge due to intense competition and consumer biases toward specific country in global market. This paper has been used to address the specific challenge of country made in label in context of 'Made in China' because China is largest manufacturer and exporter in the world. A conceptual framework has been drawn using extant literature to determine the perceived positioning of 'Made in China' label. For conceptualization of this study means-end theory has been used which determine product characteristics at superior level. The proposed conceptual framework provides strong managerial insights and indicates that positioning of 'Made in China' label is significantly influenced at cognitive, normative and affective level. Authors believe this framework as a valuable guideline for brands those are thinking to approach global consumers. This study is also comprised of the mechanism that can be used by firms to handle the perceived positioning of 'Made in China'.

1. INTRODUCTION

According to (World Bank, 2015; WTO, 2015) China have highest value in term of export goods and it is second largest economy in term of total GDP. It shows the availability of Chinese products in the international market and it confirms that consumers in general are buying 'made in China' label products in global market place. In international marketing scenario consumers are heterogeneous and they

distinguish among products from different countries of origin, therefore author believes that country of origin is a significant factor that can influence consumer's attitude toward different products. Country of origin concept has been widely studied by scholars, usually country of origin concept is operationalized as 'made in' concept (Samantha Kumara & Canhua, 2009). Authors further operationalized 'made in' concept into two different parts the one is product country of design and the other one in product manufacturing country. The concept perceived positioning of country 'made in' label has been defined as perceptions about of specific country products in the mind of customers (Crawford, Urban, and Buzas, 1983). Therefore authors believe that 'Made in China' label products can be defined as products those are designed and manufactured in China.

Consumer attitude is a significant construct that is used to determine perceived positioning of product 'made in' label and it plays a vital role in consumer product evaluation and selection. Most of consumers evaluate the products on several bases (Spielmann, 2015) e.g. size (Nugroho, Rostiani, & Gitosudarmo, 2015), quality (Hastak & Hong, 1991), price (Veale & Quester, 2009), emotional attachment or referred by friends, these basis determine whether product meets consumer expectation or not. Products those meet customer's expectation level that can motivate customers to build a positive perception about these products (Akbar et al., 2014). Perceived positioning of country 'made in' label play a significant role in developing opinion about foreign products. Moreover, the clear product image in the mind of customers serve as strong basis of product quality and unclear product image divert customer intention from product quality to product country 'made in' label. Therefore, we believe that in absence of clear product image, positioning of country 'made in' label used as cue in product evaluation phase.

Consumer attitude can be categorized as cognitive (perceptual reactions and spoken statements of faith), affective (compassionate nervous reactions and vocal expressions of emotion) and normative (actions and vocal statements regarding behavior). Obermiller & Spangenberg (1989) found that country of origin influences consumer attitude and purchase behavior during product evaluation from one of three interconnected mechanisms: cognitive, affective and normative processes. Previous studies has highlighted that with the help of knowledge regarding cognitive, affective and normative mechanisms of attitude, it is feasible to estimate the perceived positioning of 'made in' label and one can also measure the influence perceived positioning on product evaluation and behavior of consumer (Brijs, 2006; Roth & Diamantopoulos, 2009).

In recent years, China has established more and more brands. Chinese were manufacturer for western brands but recently Chinese firms have started their own branding which can been seen by the existence of Chinese brands (Xiaomi, Anta, Li-Ning, 361°, Great Wall motors) in global market. It indicates that China is moving from manufacturer to consumer goods (März, 2015; Ohlhausen, 2015). Nation (China) that was just a producer of western products in the past, now Chinese brands are competing with western brands. Thus, the focus has been diverted from just producer to design and produce, the concept is called introducing own brands. Positioning a brand is a key decision for companies. As we noted earlier if brand is not so familiar then consumer pay attention to the brand country of origin.

The country of origin China has been already studied by many researchers (Giraldi, 2016; He & Wang, 2015; Adina, Gabriela, & Roxana-Denisa, 2015; Ben Mrad, Mangleburg, & Mullen, 2014; Ben Mrad, Mangleburg, & Mullen, 2014; Lew & Sulaiman, 2014; Karami, Pourian, & Olfati, 2011; Ikeda et al., 2011; Farber, 2015), most of these studies have focused on either the general country-of-origin or the country-of-origin label of specific product categories and their context is limited to specific country like Cengiz & Kirkbir (2007) measured perceived positioning in the mind of Turkish consumers, Ikeda et al.,(2011) has studies in context of Brazil, Lew & Sulaiman (2014) focused on Malaysia, Karami,

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