

The Origin Effect and its Role in International Marketing

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Abstract

Nowadays, affected by the trend of economic globalization, many commodities themselves have an origin image, and the origin effect occurs in the process of international marketing, which is an important basis for importing countries to take tariffs and other related measures on imported goods, and has a pivotal position in global economic activities. The emergence of the origin effect reflects the phenomenon that the commodity is affected by the characteristics of the factors of the place of origin, which may promote the subsequent impact on the performance of all aspects of the commodity itself, and also affects the consumption psychology of consumers and affects the consumption behavior in a certain sense. Therefore, companies active in international marketing activities need to pay full attention to clarify the origin effect and its role in international marketing in order to take the lead. This paper focuses on the origin effect and its role in international marketing, and uses research methods such as literature investigation method and case analysis method to first clarify the connotation and mechanism of origin effect, and then explore the image of origin effect on foreign and Chinese brands, so as to summarize the strategy to improve the positive influence of origin effect in international marketing strategy. In order to ensure that Chinese enterprises can grasp the origin effect and further develop in international marketing affairs.

Keywords

Origin Effect; International Marketing; Chinese Brands; Tactics.

1. Introduction

The concept of origin first came from international trade territories, and the so-called "place of origin" is most widely recognized as referring to "country/region of origin". In the globalized market, the reason why goods will be subject to different tariff assessments by importing countries, and the reason why consumers will choose imported goods, are all from the impression of different countries, that is, a favorable image of origin can play a key role in product quality assessment. At present, many Chinese enterprises do not pay attention to the origin effect in their international marketing activities, even if the origin effect subtly affects consumers' quality assessment, quality perception and purchase intention, they cannot interfere in time. To this end, it is necessary to study in depth the concept of the origin effect and its role in international marketing with a view to exerting a positive impact in future international marketing activities.

2. The Connotation and Mechanism of Origin Effect

2.1. The Connotation of the Origin Effect

The concept of origin effect was first proposed by marketer Schooler, who in 1965 found that the origin effect was a real impact from the different evaluations of products of different origins by Guatemalan consumers of consumer behavior. Later, the origin effect was closely paid close

attention by market researchers and economic scholars, and gradually became the focus of all walks of life and one of the focuses of international marketing research. Nowadays, after compiling various literature, it is concluded that the origin effect refers to the consumer's perception of a specific country based on its own image, thereby generating awareness and recognition of goods produced in that country. This perception and recognition affects consumers' purchasing behavior, and is the factor that can most subtly change people's thinking and behavior under the trend of globalization.

At present, each country has a strict country of origin labeling management system for imported goods, for example, China's imported food must comply with China's national food safety standard GB7718-2011, indicating the food origin, domestic agents and contact party and other information. The 2013 EU Consumer Product Safety Regulation also stipulates that imported agricultural products must indicate the origin of the main ingredients of the food. The introduction of various rules and regulations has led enterprises to pay more and more attention to the impact of origin on consumer purchasing behavior, that is, the origin effect, and it is imperative to lay out marketing strategies according to the origin effect, spit out the advantage information as much as possible to avoid the weak origin effect.

2.2. The Mechanism of Action of the Origin Effect

The reason why the origin effect will have an impact on consumption concepts and consumption behaviors lies in the special mechanism of action. According to the analysis of the theory of origin effect by scholars over the years, it is found that when consumers make purchase decisions, there is a specific consumer psychology, that is, on the one hand, they follow preferences, and on the other hand, they follow long-term experience to buy. Consumers combine the two to become the decision-making process from seeing the product to buying it. Making a purchase decision often goes through problem identification, information collection, evaluation of alternatives, if all pass smoothly, then the purchase behavior will occur, if there is a veto link, then the consumer will abandon the purchase. Among them, the information collected by information collection is the indicators of the commodity, including origin, manufacturing materials, prices, brands, etc., and after collecting sufficient information, the transition to evaluating alternatives depends on the consumer's understanding of the product, such as whether the manufacturing material meets its own expected standards, whether the technical performance, price, etc. are accepted, whether the origin image is trusted, and so on. However, because consumers may not know all product materials, and may not have sufficient knowledge to evaluate performance information, they can only make purchase decisions based on relatively direct factors such as price, brand, and origin image. If the product has a good image of origin, it will lead to consumption, and if the image of origin is not good, it will have a negative impact on purchasing behavior. For example, when buying electrical appliances, consumers often think that European countries have more economic strength to develop and manufacture good products, so they will have a positive perception of European electrical appliances and make purchase decisions.

3. The Impact of Origin Effect on Foreign and Chinese Brands

3.1. The Impact of the Origin Effect on Foreign Brands

In the case that consumers do not understand the product, the image of cognitive impression occupies a large weight, which affects the consumer's evaluation and consumption behavior. At present, most consumers will consider the origin of goods in combination with political, economic and other factors, and if it is a country with a relatively poor level of political and economic modernization, consumers will also think that the goods themselves are defective. However, the specific context should also be combined with the type of goods, such as animal

husbandry, forestry, traditional culture, consumers will judge the image of origin according to past national activities and publicity behaviors, so as to make purchases, which are important contents of international marketing efforts. Due to the important role of origin effect, many foreign companies are studying and constantly practicing, especially in international marketing activities, and paying special attention to the shaping of product image when expanding overseas markets. For example, the popularity of light luxury daily necessities made in Japan stems from Japan's meticulous standards for daily necessities, giving consumers around the world the image of high-quality daily necessities. South Korea's stars and idol dramas are prominent, and for consumers, its cosmetics, beauty and other products are worth buying. Germany's technical rigor is recognized by consumers from all over the world, so when buying large electrical appliances, they will also prefer to buy Made in Germany. High-end ingredients from France, Italy and other places are also favored by consumers. Various origin effects help to establish the recognition and reputation of goods in various countries, not only affecting worldwide sales, but also affecting the standard of tariffs.

In order to maintain the advantages of the origin effect, foreign companies need to make corresponding maintenance measures, for example, German Mercedes-Benz launched a vehicle recall due to a manufacturing error, and 161,000 cars were returned to the factory for improvement. According to the explanation of German Mercedes-Benz, these are the results of careful consideration, which shows that the impact of the origin effect on foreign brands is very large.

3.2. The Impact of the Origin Effect on Chinese Brands

From the perspective of Chinese enterprises, China is a manufacturing country and the world's second largest economy, but the image of origin still cannot be improved, in a disadvantageous position, few Chinese products are successful by virtue of the origin effect, so far the image of origin is still lower than that of some developed countries. The main reason for this phenomenon is that, on the one hand, the image of the origin of Chinese goods has always carried the mark of developing countries, which, although developing countries have developed rapidly and have good economies, have always been inferior to developed countries in the purchase weight of consumers. On the other hand, China's export product structure is unbalanced, for a long time more exports are labor-intensive products, exports are mostly OEM production, the creation benefits obtained are not much, in the entire product sales process, only occupy the manufacturing part. Therefore, many foreign consumers still believe that Chinese companies do not have strong enough innovation capabilities and no brand awareness. Just as consumers regard the "Made in China" label as a cheap labor manufacturer, it puts China's brand image at a disadvantage. In addition, Chinese enterprises neglect brand building and do not pay attention to the origin effect, resulting in a relatively single marketing strategy and publicity strategy, resulting in foreign consumers being unfamiliar with Chinese products, and also making products unable to take the lead in international marketing. Therefore, consumers judge products in such a context, and judge the advantages and disadvantages according to external clues, which not only does not improve the purchase situation, but has a negative impact, affecting the evaluation and purchase of consumers, and needs to be paid attention to by the majority of enterprises.

4. Improve the Positive Impact of Origin Effect in International Marketing

4.1. Improve the Service Mechanism of Foreign Trade Administration Departments

In order to improve the positive influence of the origin effect in international marketing, China must first improve the image of the place of origin, and enhance the origin effect to give play to

its own advantages and affect the image status of products in international marketing. From the national level, it is necessary to continuously improve the service mechanism of foreign trade management departments, on the one hand, based on the needs of Chinese export enterprises, pay attention to relevant affairs of international marketing, increase support in stages, and start from the macro and then refine to the details. For example, from encouraging Chinese export enterprises to innovate, produce and develop, making policies to help and benefit the people, to establishing an information network system, starting from local small modules to facilitate the business activities of Chinese export enterprises, providing expert consulting services and intermediary services to enterprises with export trade, etc., standardizing the business model of extended services and operating under safe and feasible conditions. It can also provide export credit and insurance mechanisms to export enterprises, especially high-tech enterprises and Internet enterprises, to ensure the technological content and added value of commodity exports, narrow the gap between Chinese products and other countries, change the status quo of Chinese enterprises from the basics, and break through the dilemma of China's export commodities.

4.2. Expand Exports of Technology-Intensive Products

In order to change people's negative impression of "made in China", in addition to improving the mechanism, it is necessary to optimize the export structure. To optimize the structure of China's export commodities, it is also necessary to base on China's national conditions and ensure that corresponding changes are made in the actual situation and economic level. On the basis of increasing the added value of labor-intensive products, increase the export value of technology-intensive products, and encourage Chinese enterprises to innovate and create, instead of blindly occupying the most delicate and non-technical part of the entire production and sales process. After the change, foreign trade export commodities are composed of three major export groups: traditional commodities, high-tech commodities and mechanical and electrical commodities, which are not only commodities that China is good at, but also commodities that are accepted by international consumers relatively quickly. Through the increase of the proportion of traditional goods, high-tech goods and mechanical and electrical goods, Chinese enterprises can obtain more profits. However, in this context, resource-intensive and labor-intensive commodities still cannot slow down the pace of development, to optimize the bulk export commodities with outstanding advantages, eliminate some loss-making products with relatively high foreign exchange costs and loss of comparative advantages, so that traditional industries can combine the development of the new period, penetrate new technologies and new materials, such as the most common is the chemical industry, forestry industry, etc., are all industries that need to penetrate new technologies. Optimizing the overall structure of China's export products and integrating traditional enterprises with new technologies can further improve the technical content and quality of Chinese products and bring better origin effects to China.

4.3. Improve the Personality and Cultural Connotation of Chinese Products

In order to infiltrate the positive image of the origin of Chinese products into the minds of consumers in various countries and have a head start in international marketing activities, it is necessary to improve the individual cultural connotation of Chinese products. Because the mechanism of origin effect is a series of purchase decisions generated by consumers when choosing products, consumers consider the quality of the product itself and the emotional experience brought by the brand cultural connotation, which is also a positive origin effect. In addition, there is the reputation of the product manufacturer itself, such as some well-known brands, which can even drive the positive image of the image of the place of origin, so it can also start from the personalized cultural connotation of the brand. Many of the products produced by Chinese companies lack personalized cultural connotations, resulting in a certain gap with

European countries, such as the romantic humanistic feelings of France, the rigorous and serious attitude of Germany, the British adherence to tradition and classics, etc., are all personalized cultural connotations that China can learn from. Chinese products can also play the cultural connotation of their own products, integrate the humanistic care in Chinese culture into the products, such as furniture, daily necessities, can also be kitchen utensils, as long as it can highlight the unique cultural connotation and competitive advantage of Chinese brands in international marketing, you can actively use cultural characteristics as the image of origin, stimulate consumers' emotional experience, so as to choose to buy.

4.4. Different Regions Design Different Publicity Strategies

In order to improve the positive influence of the origin effect in international marketing, different publicity strategies and business strategies can be designed in different regions. For example, in areas where excellent products are more prominent, you can appropriately increase the price of products to enhance the image of products in developed countries in Europe and the United States, give consumers the impression of value for money, and gradually improve the image of high quality. In the past, China used low prices to win in international marketing, although it can attract consumers in the short term, but according to consumer psychology research, this method of winning at low prices will leave the impression of "low-end products" in the minds of consumers, so it is necessary to formulate sales strategies based on the situation of products and sales places. In addition, when formulating price management strategies, it is necessary to increase the intensity of advertising and publicity, formulate detailed plans for publicity work, and play a vital role in international marketing. Many well-designed advertisements packaging can change the consumer's impression of the product itself, and even the image of the place of origin, such as Iceland's tourism product advertising, which is a good example of advertising packaging. The government can play a leading role in increasing advertising of Chinese products, which can also help companies better and faster improve their image in the eyes of consumers. In addition, if in some regions, there is a negative relationship between the origin image and product quality, you can use methods such as blurring the origin to cater to consumer psychology, such as TCL, which is an international image, reduce negative impacts, save costs for enterprises, and promote the development of international marketing business.

5. Summary

In summary, the origin effect brought by the origin image affects the purchasing behavior of consumers and the profitability of Chinese enterprises in international marketing. In order to promote Chinese enterprises to further profit in international marketing, they can actively absorb excellent cases from foreign developed countries and create their own good origin effect. In order to improve the positive influence of the origin effect in international marketing, we can adopt the service mechanism of improving the foreign trade management department, expand the export value of technology-intensive products, improve the personality and cultural connotation of Chinese products, and design different publicity strategies in different regions, which can change the status quo. Based on the background of increasingly fierce competition in the modern international market, Chinese enterprises should clarify the advantages brought by the origin effect and fully establish a good image of origin in order to integrate into the international market faster. Only after flexibly formulating international marketing strategies and creating a good origin effect can Chinese products be promoted to the world.

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