

# [Country of origin](https://assignbuster.com/country-of-origin/)

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Country Of Origin Image The Country of Origin Image or COO can be described as themotivationbehind the tendency for consumers to make buying decisions, guided by their perception of the country which is associated with the purchased product. It is essentially one of the building blocks for brand equity when introducing new products into new markets internationally. This could be attributed to consumer’s need to make quality inferences via brand cues, which will help them move forward faster in the buying process.

In recent times, the validity of COO image as a brand metric has become arguably questionable, as the arrival ofglobalizationhas diluted the efficacy of the country of origin term. These days, an Apple Iphone could be designed in San Francisco, California and manufactured in Taiwan at lower operating costs. Based on this phenomenon and the study by Essousi and Merunka (2007), the COO concept can be further evaluated on the basis of two sub categories, which are country of design (COD) and country of manufacture(COM) image.

A lot of companies remain ethnocentric in their business operations, this means that they restrict their resources to the initial country of origin, but sell to varying markets on the international scene. This is in contrast to the truly global companies that distribute their resources worldwide and operate in a global market. It begs the question of whether country of design or country of manufacture, is the influencing factor with regards to consumer behaviour and a product’s country of origin image.

Referring to the previous example of Apple’s Iphone, is the product quality amplified in the consumers eyes by virtue of its American design or is its value downgraded by Taiwanese production? , considering Taiwan’s COO image as one of cheap but low quality products. Reardon et al (2005) suggest that with the products being unfamiliar to the market, country of origin image becomes the most viable source of quality identification for the consumer, an opinion backed by Balabanis and Diamantopoulos (2008) and Carvalho, et al ( 2011) studies on brand associations with country of origin images, among consumers.

This is akin to celebrity endorsement of brands, with countries playing the role of celebrity ambassadors to those new to the brand. Harun et al 2011, proposes a different perspective to the discussion with country of brand origin (COBO). This is far more effective as a brand metric because as the name implies, the focus is placed on the brand itself rather than the product. For a description of the slight differences between the two concepts, Consider a consumer’s choice to buy a virtually unknown suit brand, because it was made in Britain.

Britain’s strong COO image for products like suits, is the major player in this purchase decision. On the other hand, the buyer could decide to go for a Louis Vuitton Suit to feel ‘ French’, as Louis Vuitton is primarily a French brand, thus illustrating the concept of the COBO effect. From this, it is clear that the country of origin effect still maintains some relevance with regards to influencing purchase decisions, whether it involves the design origins or place of manufacture or even down to the general associations the brands has with a country.

Place Brand With the ever constant battle for the consumer’s disposable income and foreign direct investment by businesses, there has been an upsurge in the marketing of entire geographical locations, as suitable places to spendmoney. According to Medway& Warnaby (2008), the focus of the process is on creating favourable or attractive image associations for places and downplaying any negative images it may already have, unless demand for its resources outgrows supply.

It can be argued that products and services become brands by virtue of the benefits they offer. This implies that if the benefits are negative, the product or service gains a negative brand image and vice versa. Similarly, places become branded by what they have to offer, usually in terms ofculture, heritage, art, natural resources (Kemp et al, 2012) and many other variables. This phenomenon known as place branding, seeks to create identity, differentiation andpersonalityfor a place(Kavaratzis & Ashworth, 2005).

It typically involves any residential geographic entity, and is usually most evident in the marketing of nations and cities. In examining the tenets of place branding further, the branding of cities can be utilised as a sample from which reasonable inference can be drawn and applied to a larger population such as countries. Pfefferkorn (2005) outlines the effects of branding on cities and the ingredients common to strongly branded cities.

Included in the requirements for strong city branding are attractive employment opportunities, affordable cost of living, efficient public transportation and school systems, recreational/ cultural attractions, and good climatic conditions. These are described by the author as functional values, but for truly strong place brands to exist, there must also be added value that differentiates it from others.

The added value is unique to each city, as residents may tend to make meaningful associations between themselves and a place. Examples of this include the marketing of Jerusalem and Mecca as ‘ holy cities’ of pilgrimage to devout faithfuls, Rio as a destination of choice for carnival lovers, Paris as the city of love for romantic individuals or in the most popular city branding efforts for sports enthusiasts, Englishsoccer(Edensor & Millington, 2005) and the Olympics (Zhang & Zhao, 2009).

An observable common denominator amongst these examples is the presence of images or perceptions, associated with orchestrated activities that result in the brands of a place. (Kavaratzis S& Ashworth, 2005). Global Brands The definition of globalised companies in contrast to international companies lies in the distribution of its resources (Abdulrazak. R, 2013). One of the foremost issues with brand globalization is the standardisation versus adaptation debate.

A global brand is one which has been able to extend its brand identity across the world from its country of origin, and therefore the argument falls largely in favour of standardization with an adaptation of certain variables where necessary. Discussion Global brands offer consumers a sense of familiarity and streamlines the decision making process for purchasing from a range of both local and international alternatives. The country of origin image as well as place brands associated with the place brand may further serve to amplify the equity of the global brand. SIRRA