

Country of Origin and Confidence in Quality of Imported Foods in China

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Biography:

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Abstract:

Food distribution channel members in the Peoples' Republic of China have been interviewed regarding the key factors that determine where they source imported food products. Concerns about food safety and mistrust of food production systems within China result in imported food products generally enjoying a higher reputation than locally produced food products, unless the locally produced products carry famous international brands. Little discrimination was evident between different source countries. A high level of importance is placed on brands, the reputation of intermediaries within the channel, and the reputation of retail outlets, but country of origin effects appear confined to specific food categories.

Keywords: China, Food distribution channel, country of origin

Introduction

Views that consumers hold regarding products from a particular country, as well as feelings towards the people of that country, contribute to a country stereotype (Bamossy, Beracs, Heslop, et al., 1986, Papadopoulos and Heslop, 1993) Stereotypes associated with a given country engender “mythological narratives” in the minds of people of other countries, and the “dimensions of place, product, market context and usage context are central to understanding contextualised product-place images” (Ger, Askegaard and Christensen, 1999, p.165). Geographical origin has affective and normative connotations, in addition to providing a cognitive cue for judgements about product quality.

For the most part, the influence that product-country image (PCI) has on consumer perceptions has been studied in regard to high involvement durable products, especially products which carry well-known brands. Much less attention has been paid to the importance of PCI in regard to food products. This is somewhat surprising in view of the widespread mistrust of food production systems which has emerged as a result of a succession of food scares in many countries. In addition, little attention has been paid to the key role of food distribution channel members as gatekeepers who decide the range of imported products available for consumers to choose from. This is also surprising, given that such people are often in positions of immense power within the channel, and are responsible for deciding the product offerings on behalf of millions of potential consumers of major supermarket chains.

From an academic perspective, it is important to determine whether the conceptual framework that has emerged over the last several decades of study of PCIs in relation

to consumer decision-making processes is relevant to the way in which food channel members in diverse markets make their purchasing decisions. From a managerial perspective, it is a matter of high importance for food exporting countries to understand the factors that determine where gatekeepers of the food distribution channel in a major market such as China source their products.

Industrial Buying Behaviour

A much-cited review of industrial buying behaviour states: “similar to consumer behaviour, the industrial buyers often decide on factors other than rational or realistic criteria” (Sheth, 1973, p.56). Some authors draw a distinction between ‘industrial buyers’, who purchase raw materials for subsequent transformation, and retail buyers, who purchase on behalf of retailers. In Western countries industrial buying decisions are commonly made within a buying centre, whereas retail buying decisions are typically made autonomously by the retail buyer (McGoldrick and Douglas, 1983, Sternquist, 1993, Wagner, Ettenson and Parrish, 1989), although “in larger organizations there is an increased probability of the ultimate decision being the responsibility of a committee...Discussion in committee form assists in minimising perceived risks” (McGoldrick and Douglas, 1983, p.18). In the absence of specific information regarding industrial and retail buying behaviour in China, we have proceeded on the basis that similar principles will apply to both. In this paper we refer to both types of buyer as ‘channel members’ or ‘gatekeepers’.

According to Inch (2003, p.1) “although industrial buyers may follow more formalized purchasing procedures, industrial buyers are no more rational in making purchase decisions than consumers.” Whether or not these food channel members are

rational, they make decisions which are highly influential in determining the range of products available to consumers. The present study set out to determine the factors that most influence the purchasing decisions of channel members, who can be viewed as “expert consumers uniquely qualified to assess product quality and desirability” (Sternquist, 1993, p.171).

Country of Origin Effects

In 1965 Robert Schooler published the first study of the role of country of origin in influencing consumer perceptions of products (Schooler, 1965). In the four decades since, a huge literature on country of origin (COO) effects has emerged (Al-Sulaiti and Baker, 1998, Bilkey and Nes, 1982, Han, 1989, Han and Terpstra, 1988, Nebenzahl, Jaffe and Lampert, 1997, Papadopoulos and Heslop, 1993). Evidence has accumulated that consumers in many markets indicate a willingness to pay a premium for manufactured products sourced from more industrialised countries. ‘Made in Germany’, ‘Made in USA’ and ‘Made in Japan’ convey the notion of high quality due to the reputation that these countries have developed over time.

Judgements that consumers make about a country, either through familiarity with a country from having visited or observed a lot about that country, transfers to evaluations of the performance of products from that country. The stage of development of a source country influences consumer evaluation of products, with consumers (even in less developed countries) holding less positive views of products from less-developed countries (Hulland, Todino and Lecraw, 1996, Wang and Lamb, 1983). “Good products are seen to be produced by people who have refined taste, and

are likeable, trustworthy and admirable for their role in world politics” (Heslop and Papadopoulos, 1993, p.67).

A meta-analysis of COO research (Verlegh and Steenkamp, 1999) concluded that COO has a larger effect on perceived quality than on purchasing intention. Hulland, Todino and Lecraw (1996) found that the impact of COO on the price that consumers were willing to pay was related to perceptions of risk associated with the purchase. A limitation of COO research is that the vast majority of studies have investigated attitudes and/or intentions rather than actual purchasing behaviour. Interestingly, a recent study found that more than 93% of 1,248 North American consumers intercepted at the cash register did not know the COO of a durable product which they had just purchased (Liefeld, 2005). Liefeld’s reasoned conclusion (p. 85) is that “country of origin of products is not an important attribute in the choice processes of the great majority of North American consumers.” Liefeld’s earlier meta-analysis found that purchasing agents place more importance on COO in their product evaluations than do consumers (Liefeld, 1993).

Explanatory models of country image effects

Considering image of a country in association with, and in comparison with, other countries is consistent with the concept of positioning being relative to competitors (Askegaard and Ger, 1998). Country image can be regarded as a “schema, or a network of interrelated elements that define a country, a knowledge structure that synthesises what we know of a country, together with its evaluative significance or schema-triggered affect” (Askegaard and Ger, 1998, p.53).

Several attempts have been made to devise an integrative theory of how consumers use country image information in forming attitudes and expressing purchase intentions (Laroche, Papadopoulos, Heslop, et al., 2005). Laroche et al. propose that country image is a multi-dimensional construct represented by a three-factor model, reflecting: (1) a cognitive component, including beliefs about the country's level of industrial and technological development; (2) an affective component, namely consumers' emotional response towards people of that country; and (3) a conative (motivational and volitional) component, reflecting consumers' desired level of interaction with that country.

A country image having a strong affective component exerts a stronger influence on product evaluation than on product beliefs, and "country image and product beliefs act simultaneously to influence product evaluations" (Laroche, et al., 2005, p.110). Heslop and Papadopoulos (1993) consider that "the product image dimension of the country involved ... is a response component of pride of ownership and is associated with the exquisiteness or high-class taste of the source country. The country of origin serves directly as a status symbol" (Heslop and Papadopoulos, 1993, p.71). This aspect seems potentially highly relevant to the Chinese market in view of the importance of status and prestige in Chinese culture and the symbolic value inherent in foreign products(Wei, 1997, Zhou and Hui, 2003).

Country of origin effects in relation to food products

Food products are typically purchased with low involvement on the part of consumers, although prior experience of the particular brand clearly has a major influencing role. Research has shown that "the first taste is almost always with the

eye”, suggesting that visual cues such as packaging, labelling, and colour greatly influence a consumer’s initial acceptance of a food product (Imran, 1999). However, many factors other than appearance and taste come into play since “food is both substance and symbol, material and aesthetic ...”(Marshall, 1995, p.3).

It is widely acknowledged that country of origin influences consumers in buying food products (Hoffmann, 2000, Skaggs, Falk, Almonte, et al., 1996). However, in light of Liefeld’s (2005) findings in relation to durable products referred to above, this now needs further investigation to ascertain the extent of impact on actual purchasing behaviour. Juric and Worsley (1998) found that national image seemed to act as a halo when New Zealand consumers were evaluating unfamiliar foreign food products. Prevailing public perceptions about less-developed countries were credited with influencing negative perceptions of food products from Thailand and Hungary, in comparison with consumer sentiments towards food products originating in Australia and the USA. Skaggs et al (1996) highlighted the importance of overall impressions of a country influencing perceptions of food products from that country. Ahmed et al (2004) using data from Singapore, found that COO matters when consumers evaluate low-involvement products (bread and coffee). However, “in the presence of other extrinsic cues (price and brand), the impact of COO is weak and brand becomes the determinant factor”(Ahmed, et al., 2004, p.102).

Country of Origin and Perceptions of Risk

Perception of risk associated with food products has intensified in developed countries in recent years, despite significant advances in food quality and food security (Bergman, 2002). This paradoxical situation can be attributed in part to the

emergence of a risk-sensitised society, in which “social amplification” by news media have distorted and exaggerated risk messages (Slovic, 2000). Consumer perceptions of what constitutes risk in food differ markedly from country to country. For example, French consumers prefer the flavour of cheese made from unpasteurised milk, and are willing to accept the higher associated health risks from *Listeria* contamination. However, in the USA sales of unpasteurised cheese are largely banned, despite the constraint on consumer choice which results from this (Buzby, 2001). Little research seems to have been undertaken regarding the relationship between perceptions of risk of food products and country of origin. Hampton (1977) studied US consumer perceptions of risk involved in buying food products manufactured by US firms in other countries. A perceived risk hierarchy was evident, as might be expected.

China, along with many other countries in Asia, may well be largely inured to food-related risks since they are part and parcel of daily living, Therefore, factors which weigh heavily in Western countries regarding COO of imported food might not be of similar importance in Asian countries.

Research Questions

The aim of this study was to determine how important country of origin appears to be in purchase decision-making by gatekeepers in the food distribution channel in China. How is COO seen in relation to other extrinsic cues? If COO is important, then what characteristics of source countries seem most relevant?

Methodology

A convenience sample of seventeen companies and organisations in five main commercial centres in the Peoples' Republic of China provided the basis for this study. Thirteen of these contacts were provided by New Zealand Trade and Enterprise staff based in Shanghai, Guangzhou, and Beijing. The remainder were contacted by the researchers via personal connections. The characteristics of the interviewees are shown in Table 1.

The aim was to sample as much diversity as possible among the participants so that an overall view could be distilled from these diverse sources. Patton (1990) uses the term “purposeful sampling” to describe the recruitment procedure adopted. Five respondents were decision makers in supermarket chains, three locally owned chains and two multinational chains. Seven were importers and distributors in diverse sectors, including wine, meat, dairy products, packaged goods, fruit, and seafood. Two were executive chefs in five-star hotels, and one was the owner of a western-style food service provider. The remaining two informants were added to provide insights into government policy regarding production and importation of foods, since it became apparent that there was some confusion on the part of channel members concerning some of the topics discussed.

A condition of the ethical approval granted for this study was that we “ensure appropriate preservation of participants’ anonymity.” In accordance with this requirement, anonymity of respondents is preserved in this paper.

Personal interviews were conducted with key informants of these companies and organisations. In-depth personal interviews result in a richness of material that is unlikely to emerge from an impersonal questionnaire. It seems most unlikely that the senior level of respondent included in this study would respond personally to a mail-out questionnaire. Interviews were conducted at the premises of the respondents in all except four interviews, which were conducted at offices of New Zealand Trade and Enterprise in two cases, and in hotel facilities in two cases. Interviews ranged from 60 to 120 minutes, and in most cases were conducted entirely in Mandarin.

An interview template guided the major areas of enquiry (Denzin and Lincoln, 2000, Kvale, 1996, McCracken, 1988, Merton, Fiske and Kendall, 1956). The interviewer aimed to establish rapport with the respondents and to build a “conversation-like dialogue rather than asking questions that impose categorical frameworks on informants’ understanding and experiences” (Arnould and Wallendorf, 1994, p.492). Questions were open-ended to enable determination of what was most salient to respondents: “Once respondents have been brought within sight of the topic, they must be allowed to ‘go’ wherever they wish” (McCracken, 1988, p.40). Steps were taken to minimise the risk of social desirability bias (Schuman and Presser, 1981), “the basic human tendency to present oneself in the best possible light” (Fisher, 1993, p.303). Indirect questioning, a projective technique in which respondents are asked to provide opinions from the perspective of another person or group, was used wherever possible. This mode of questioning encourages respondents to “describe their own feelings from behind a façade of impersonality” (Simon and Simon, 1975, p.586). The importance of *mianzi* or “face” in Chinese culture (Hwang, 1987) is recognised as intensifying the likelihood of social desirability interfering with qualitative data

collection, particularly when the interviewer is a foreign visitor. A guiding principle in Chinese culture is: “honour the hierarchy first, your vision of truth second” (Gao, Ting-Toomey and Gudykunst, 1996, p.291).

Tape recorded interviews were transcribed and translated into English, and then coded for further analysis (Coffey and Atkinson, 1996, Seidel and Kelle, 1995).

Limitations

We could not disguise the fact that we came from New Zealand, particularly since we had availed ourselves of the services of New Zealand Trade Commissioners in recruiting many of the interviewees. This led to some respondents focussing unduly on factors which they saw as relevant to products of New Zealand origin. We took steps to broaden the scope to other countries where possible. This was facilitated by the fact that the primary interviewer is Chinese with Mandarin as his native language.

It is acknowledged that this is a relatively small convenience sample, and that care must be taken in extrapolating results to the wider population of food channel members in such a huge country. However, the commercial centres chosen extended from Shenzhen and Guangzhou in the south to Changchun in Jilin Province in the north-east, and include the very major commercial centres of Shanghai and Beijing.

Results

As indicated by the quotes shown in Table II, price is a major determinant of gatekeeper purchase decision as is to be expected. Several of these quotes reflect how gatekeepers see consumers responding in regard to price; presumably, their own

buying decisions are directed by how they see their consumers responding. Provided quality is much the same, then the cheaper offering will generally be preferred, as indicated by respondents G, J, A, and D. However, it is not always as simple as that. With regard to wine, respondent C reports a strong price-quality relationship. Respondent A points out that it is quality, rather than price, which is “going to bring people back”, and respondent C makes a telling point concerning the price-quality relationship in regard to wine. An interesting perspective is provided by respondents N and K, indicating that attitudes are changing as consumers become more affluent. Respondent L makes a very interesting point concerning the role of “face” in determining consumer behaviour in China.

Table III provides diverse and interesting perspectives on how quality of food and beverages is perceived. Taste is mentioned by respondents I, G and F as being the key determinant – much more important than concerns about the way in which food has been produced. Respondent G makes the point that grain-fed beef is preferred to grass-fed beef because it tastes better. Subsequent questioning revealed that issues to do with feedlot farming, and whether or not the grain was genetically modified were of little interest to Chinese consumers.

The importance of brand in conveying status and quality is indicated by the comments shown in Table IV. Respondent D indicates that an international brand such as Nestle instils confidence, even when consumers know that Nestle products are locally produced. Respondent B raises an interesting point in relation to the prevalence of fake products in the Chinese market. Even when consumers know there is a high chance of the product being counterfeit, a “good brand” will aid sale of such a

product. Respondent M equates brand with “fame” – which probably indicates the importance of status and prestige rather than confidence necessarily.

Quotes shown in table V indicate a general perception that food products from outside of China are of higher quality than domestic products. Respondents B, F, A and M all indicate that products from developed countries enjoy a reputation for quality which is not shared by products from less-developed countries. Respondent A indicates that use of false stickers to increase the status and therefore profit of locally-grown produce is quite widespread. This in turn leads customers to place their trust in reputable retailers, since it is so difficult to separate fact from fiction in the marketplace (see respondent L). Respondent K makes the very interesting point that imported foods have passed stringent quarantine inspection whereas locally produced products have not. This in itself provides a reason for having greater trust in imported products.

The quotes shown in Table VI indicate that in many sectors Chinese consumers are unable to determine where products originate, particularly when the product is an ingredient used for further processing. In this regard, there is no major difference from developed countries, where COO gets lost as soon as imported raw materials become incorporated into manufactured products, or are used in the food service sector. An obvious exception can be seen from the comments of respondent C in regard to wine. This is a product sector where COO is highly integrated into perceptions of the product.

Discussion

Decisions about the quality of products are thought to be made by consumers in Western cultures through a process of acquiring, evaluating and integrating informational stimuli or cues (Rao and Monroe, 1989). Such cues may be intrinsic, such as taste and appearance, or extrinsic, such as price, brand and COO. In the case of low-involvement products such as food, it may be difficult for consumers to evaluate intrinsic cues, particularly when goods are pre-packaged. Therefore, greater reliance may be made on extrinsic cues (Zeithaml, 1988).

It appears that gatekeepers in the Chinese food distribution channel consider that imported food products, particularly those originating from developed countries, are of generally better quality and are more highly regarded by consumers than domestic products. An exception is provided by domestically-produced products which carry a famous international brand. The prevalence of counterfeit products has a tendency to lead to mistrust of branded food and beverage products that are sold by other than major retail chains. Here, the reputation of the retailer overcomes uncertainty which consumers might otherwise have regarding the provenance of branded products.

The price-quality relationship in regard to wine provides an interesting insight into Chinese symbolic consumption. Wine, being a relative newcomer to the Chinese market, is purchased mainly for offering to guests rather than for personal consumption. Therefore, the comment “I’d better choose the expensive one” reflects the importance for “face” of procuring the product which is seen to be of higher prestige, rather than necessarily indicating a belief in higher “quality” per se. A

similar sentiment can be seen in regard to the comment: “Chinese people buy water for guests for the image” (Respondent M, Table VI).

The results presented here indicate that the image of source countries in itself has only weak impact on perceptions of imported food and beverages in the Chinese market. In certain product categories particular countries have become famous (e.g. the USA for Sunkist oranges; New Zealand for kiwifruit), and as mentioned above there does appear to be an over-riding perception that products from developed countries are of better quality than those from less-developed countries. However, beyond these issues, familiarity with the characteristics of different source countries appear to be limited, and country image appears to be of relatively low importance in this market.

Conclusions

Concerns about food safety and mistrust of food production systems within China result in imported food products generally enjoying a higher reputation with food distribution channel members than do locally produced food products, unless the locally produced products carry famous international brands. Products from developed countries are seen as being safer and of higher quality than those from less developed countries, but provided appearance is acceptable and there is a price advantage, this differential appears weak. Apart from level of development, little discrimination was evident between different source countries. A high level of importance is placed on brands, the reputation of intermediaries within the channel, and the reputation of retail outlets, but country of origin effects appear confined to specific food categories.

Table I. Profile of key informants, companies, and organisations in sample				
Company	Interviewee	Sector	Location	Activity
A	Executive Chef	Hospitality	Shanghai	5 Star Hotel, International hotel chain
B	General Manager	Food retail	Shanghai	Supermarket, specialising in imported foods
C	General Manager	Wine	Shanghai	Spanish importing company, imports wines from numerous countries
D	Marketing Manager	Dairy products	Shanghai	Importer and distributor of NZ dairy products
E	Asia Regional Manager	Food retail	Shanghai	Multinational, one of largest retailers in the world, annual revenue in excess of US\$200 billion
F	a. Chairman b. Executive	Fruit	Shenzhen	Importer, distributor, fruit from many countries
G	General Manager	Meat	Shenzhen	Importer, distributor, imports meat from several countries
H	Executive Chef	Hospitality	Shenzhen	5 Star Hotel
I	Assistant Manager	Food retail	Guangzhou	Supermarket, Chinese owned
J	General manager	Seafood	Guangzhou	Importer, distributor
K	Managing Director	Food Service	Beijing	Importer – grand agent company, representing leading international brands
L	Customer manager	Food retail	Beijing	Supermarket, one of largest supermarket chains in world, annual revenue approx. US\$100 billion
M	Sales Department Manager	Food import and manufacture	Beijing	Manufacturer and importer of Western-style foods
N	Procuring Manager	Food retail	Changchun	Supermarket, provincial, Chinese-owned
O	General Manager	Food service	Changchun	Western-style cafe
P	Division Chief	Agriculture Commission	Changchun	Provincial Agriculture Commission
Q	Professor	University	Changchun	Prominent agricultural university, expert on GM

Table II. Different perceptions of the role of price

<p>“Mainly price influences our purchase decision. The price of imported beef, from New Zealand, is too high at this moment. The market for imported beef has been decreasing. The main challenge for imported beef is the competition from local suppliers. The local beef is very cheap.” Respondent G, meat importer.</p> <p>“We normally choose countries that provide better quality seafood with lower prices.” Respondent J, seafood importer.</p> <p>“Actually price is a big factor for us. Of course quality is the biggest factor at the end of day because quality is going to bring people back.” Respondent A, five star hotel.</p> <p>“In China price is the major concern of consumers. Chinese consumers need some good quality products. Among similar products, if the price is lower, even a little bit, like one or two RMB cheaper, they buy cheaper products.” Respondent D, dairy food importer.</p> <p>As you know, people’s attitudes towards the price vary from their income levels. People who are above 40 years old in China are quite concerned about the price. People who are between 30 and 40 years old are not worried too much about the price except for the housewife, and they don’t normally bargain for one yuan. People who are younger than 30 years are not thinking about the price much once they perceive the products that interest them have good quality, nice looking and acceptable functions. Respondent N, provincial supermarket.</p> <p>Another safe thing would be the price...if it’s expensive, they think it’s OK. ..the price will influence...Even if the French wine is expensive, the person may think “I’d better choose the expensive one....”. Respondent C, wine importer.</p> <p>“In China more and more people are concerned with quality more than prices.” Respondent K, importer, grand agent.</p> <p>“Sometimes there seems a conflict here. People want to save their “faces” by shopping in a big and spacious store, and freely choose the items they like. On the other hand, people also want to buy cheap goods from the crowded stores. Most likely they would choose the latter.” Respondent L, supermarket.</p>
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Table III. Perceptions of quality and how it is determined

“I think Chinese got better noses than tastes, because they are more used to the tea. Their noses are quite good. But their tastes, sometimes because of the GanBei thing, drink the glass and see the bottom up. Still sometimes they do funny things, mixing white wines with ice on the glass. They put ice directly into white wine glass. It dilutes the taste because of too much water. I don’t even know if they enjoy it.” Respondent C, wine importer.

“Mainly the taste. Although people have more concerns with their health now, but these concerns are still limited. Once the food has good taste, people will accept it.” Respondent I, supermarket

“You come down to the tastes and consistency. Then you go back to the suppliers as well to see how good suppliers they are, and how they transport their products, and how they look after their products, and what backup and supports going to be. Am I going to get products consistently or get products once, and next time I phone up to get it, they tell me we have changed brands?” Respondent A, five star hotel

“Normally individual consumers don’t have enough knowledge to judge the quality of seafood. But most of our clients are distributors or the purchase managers from hotels and restaurants. These people are experienced, and they know what to base to make decisions. Sometimes we feel difficult to capture consumers’ minds. So the seafood business is like a gambling. If we made a rational decision, we could make profits. If we made an irrational decision, we could end up with a heavy storage.” Respondent J, seafood importer.

New Zealand beef is not that good, only the second grade in the market. The US cattle are best because the cattle are fed on grain, instead of grass. Some customers, for instance, some from high-level hotels, ask for American beef because they think American beef have better tastes.” Respondent G, meat importer.

“New Zealand fruits are very famous in China. Gala apples are very popular here. Apart from New Zealand, Africa and Chile also produce Gala apples. Compared to other countries, New Zealand apples are sold in better prices. This is mainly because of the tastes of New Zealand apples. New Zealand apples have better quality. Quality here means color and hardness, of course tastes. These are all important. Apart from these, the packaging and storage are also very important.” Respondent F, fruit importer.

Good packaging means the products are produced by the big companies, and with guarantee of quality. If the packaging is poor, people may think the product is not good quality. China has so many inferior products. Of course some inferior products also have very nice packaging, for example, some milk powder products. Here inferior products regard to products that don’t meet the hygiene standards as required by the government. People worry that these inferior products will make people ill, or have chemical contamination. Respondent B, supermarket.

Table IV. Brand influence on perception

“Nestle is an international brand, but locally produced. Their manufacture base is in Tianjin. When people buy Nestle milk, and we ask why they chose Nestle, they all know it is locally produced, but they also know it is international brand. When you ask where this brand is from, and they will answer you that they don’t care, and why should they care? They see it the TV and advertising all the time. They just know the brand, and don’t care about where they come from. Nobody will notice the trademark of Nestle (a little bird on the nest), and consumers don’t care.” Respondent D, distributor of dairy products.

“The first is the well known brand. The second is origin of country. Brand means symbol of status, and quality. For example, in Xingyanglu market (one of famous market in China where fake products in relation to brands are sold), products with good brand will be easily sold compared to products without brands.” Respondent B, supermarket.

“We only deal with top brand companies. We make purchasing decisions 70%-80% based on our consumers. Otherwise we cannot sell our products. In the Chinese market, people tend to buy famous brand for the products they are not familiar with. Consumers are really concerned with the brand, especially famous brand, so they have more confidence that the product has good quality.” Respondent M, importer and manufacturer.

Table V. Preference for imported food from developed countries

“People tend to think imported products in general have better quality than locally produced products. Sometimes Chinese consumers are even over worried about the safety of goods they buy. They trust bigger hypermarkets. We have more than 50 stores in China.” Respondent L, supermarket.

“Some people just buy local fruits and put stickers on them, and sell them as imported fruits. I believe the government is trying to stop and discourage this. Similar things happen to apple as well. It is a simple thing. People put stickers on, and add value, and increase the profit. Of course, their target market is not the top end supermarket, and not five-star hotel.” Respondent A, five star hotel.

“People tend to think that products from developed countries are always good. It is like the electronic products from Japan, cars from Germany that are given high praise.” Respondent F, fruit importer.

“For products from developed countries, consumers tend to believe they are good once they are not from less developed countries like India. There is not great difference between products from developed countries, and they don’t really care they are from the U. S., Canada or Germany. We have some fruits from Thailand. If some fruits from Thailand were used with extra chemical spray, the fruits from Thailand would be difficult to sell. The difference between Thailand and Japan can be attributed to the development status of Japan, and undeveloped status of Thailand. If there are some scandals in Japan, they may be perceived as incidental and unpredicted events, but if happened in Thailand, people may think this is naturally happening, systematic, and general.” Respondent B, supermarket

“Thailand? Not much difference for food products. As discussed earlier, once the imported products have good tastes, people don’t care about the status of the countries the products come from. For example, abalone from Philippine is sold very well in this store.” Respondent I, supermarket

“For food products from developed countries, I can be sure about their quality. I may ask myself why I should buy this food from a developing country. I cannot see the reason (why abalone would be imported from Philippines).” Respondent M, manufacturer and importer.

“Quite a lot of consumers still have prejudice on the locally made products, and tend to think they are not as good as the products from the original country of the brand. The main reasons for this view are the worry about the use of material, and operation of equipments, and management of people and the production process.” Respondent N, supermarket.

“Chinese consumers consider imported products have really good quality. You know people are more concerned about health now. But actually they don’t know what products can make them healthier. You people from overseas know what products are good. But for the local people who have never been overseas, they get information from the market and promotion and advertising. People know imported

products have been through CIQ (Chinese Inspection and Quarantine).” Respondent K, food service

Table VI. Relevance of country image of source country

“People don’t associate Nestle with Switzerland -. they never think about that. Wine is the only product you can relate the brand to the country. Even for the dairy products, for example, my mum goes to the supermarket to buy cheese and butter, she doesn’t really know about New Zealand cheese or European cheese. She only tastes once, and may think this is her flavour, and it becomes her favourite, and will continue on buying it. She doesn’t really care which country the brand comes from.” Respondent D, dairy foods distributor.

“Consumers rarely know which countries the cheese is from when they have the food. Some people do care about the brands of the ingredients used in making food, such as butter, especially for the group order. Normally people who come to order food know about western cousin, and have some says on the brands used in making food... Chinese people buy water for guests for the image. When I get foreign friends to come home, of course I will serve Pellegrino, not because it is expensive, but because of respect. Most foreigners prefer these two brands instead of local branded water. It is not only the water, but also the packing etc.” Respondent M, manufacturer and importer.

“Consumers don’t know the country. They can’t tell the quality of cheeses by eating the pizza. In addition, the tastes of cheese can’t be easily differentiated. We could use low quality cheeses instead. But we didn’t because we want to keep the tastes of our pizza consistent... They don’t care where the western styled food is originally from. For a café affiliated with particular country, the key is the decoration style of the café. The most important thing is to differentiate from Chinese café by the unique decoration in relation to particular country.” Respondent O, western style café.

I think the first top of the mind will be the country origin. First France always. You know like everybody else, they have been through the assumption of the wine: French is the best the wine in the world because it used to be. But still French wines are perceived to be the best wine. They have entered the mind of Chinese that the French wine is the best wine. It’s very difficult to change the perception. I think they will think first the country or region. They knew French wine. That will be one safe choice.” Respondent C, wine importer.

“These images are important for local Chinese when they make purchase decisions. For Indian products, people think they are not very good, but for countries like the U.S., Japan, people think the products are very good. Developed countries are perceived sources to produce high-quality products... For New Zealand, the kiwi fruit is a good choice. The quality is the best. Kiwi fruit is believed to be the best by everywhere in the world, not only in China.” Respondent B, supermarket.

“I don’t personally think this (country image) is a selling point. To change menu in five-star hotel is very expensive because all menus are shown in the rooms. There are external advertising you do, and all the printing. I got burned this year with US beef banned here this year at this moment. When that happened, initially we thought it would be short term thing, but it has gone on and on. We have to reprint all menus

because we name US beef. It is such expensive. It restricts what you can do. It is very inconvenient.” Respondent A, five star hotel.

“Country image? I don’t think there is a relationship. We are in business, so we only think about this from business perspective. Because the fruits from New Zealand have good quality, we can sell them. If consumers come back to buy New Zealand fruits after they taste them, this means we are a good business. It is very simple.”

Respondent F, fruit importer

“On July or August, we did Sunkist promotion. Sunkist is the best orange. People have this perception because they are imported from the U.S.” Respondent L, supermarket.

“Not at all. It is not the case like some consumers go to Lotus because they like Thailand. You know most customers have low loyalty in selecting where to shop. Give you an example. If they find one product is sold in Carrefour at ¥ 1,000 one day and find the same product sold in Lotus at ¥ 999, they will go to Lotus for the one Yuan difference.” Respondent L, supermarket.

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