

The Concept of Culture of Brand Origin (COBO) A New Paradigm in the Evaluation of Origin Effect

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Abstract

While much of the origin effect is evaluated on the basis of Country of Origin (COO), this paper argues that the COO evaluation has becoming irrelevant in today's marketing context due to the globalization effect. Thus, this paper proposes a new alternative tool to appraise the origin effect with much concentration on the cultural factors namely the Culture of Brand Origin (COBO). This new concept reflects the cultural characteristics appended to a brand which are the language of the brand name and its linguistics uniqueness. These two core dimensions for COBO function as indicator of the brand's origin and are postulated to have an influence on consumers' attitudes and behavior. Therefore, this paper discusses the components of COBO which includes identification of COBO on the basis of language and perception of brand name linguistics. The highlighted components of brand name linguistics consist of phonetic, morphology and semantics.

Key words: Culture of Brand Origin, Origin Effect, Brand Name Linguistics

Introduction

Origin information of a product is perceived to be the most significant pulling factor that attracts consumers to a brand (Thakor and Lavack, 2003). Note further, the origin effect that is mostly researched in the COO studies is the 'made in' cue (Pecotich, Pressley and Roth, 1996). Interestingly, the COO literature in general has made conclusive findings that the

perception of a country of manufacturer is vital for product or brand evaluation (Bailey and Pineres, 1997; Gudum and Kavas, 1996; Zhang, 1996), and intention to purchase (Tse, Kwan, Yee, Wah and Ming, 1996). Apart from investigating the origin effect at the product, the evaluation can also be made on the basis of a brand name when perception of product origin can also be obtained from the brand name itself (Johansson, 1993; Papadopoulos, 1993). However, these researches which their approach of using a brand name as a symbol for the country of origin in fact failed to recognize the brand name itself as the source of knowledge regarding product origin (Samiee, 1994).

To address the above issue, Lim and O'cass (2001) proposed that a culture can be a source of brand origin and their studies have acknowledged the brand itself contains origin information. Consequently, they both coined Culture of Brand Origin (COBO) and postulated that a culture effect is important which can affect brand preference and purchase intention. Their studies also contributed to the definition of COBO. This new concept, according to them, is the cultural characteristics that are appended to a brand. Significantly, from the substantial contribution of the Lim and O'Cass's (2001) study, future origin evaluation studies is proposed to use the COBO to appraise origin effect. This new concept, which heavily emphasizes the cultural factors that are carried by a brand, is anticipated to have an influence on consumer evaluation towards a brand and purchase intention of the brand as well. Moreover, this new concept is seen as an alternative approach in the evaluation of origin effect even though the COO information still came to be of major interest to many academics.

COO: THE CONCEPTUAL AND METHODOLOGICAL GAPS

The introduction of COO concept is credited to Schooler (1965) whose study investigated the existence of consumer's bias on product origins. Since then, COO has become of major interest among many marketing researchers. Its popularity in marketing literatures is astounding as more than 400 academic articles related to COO have been published to date (Usunier, 2006). Despite its growing popularity, many scholars recently have expressed skepticism about the vague definition of COO as well as its effects (Bloemer, Kasper, Steffenhagen and Schmidt, 2001; Johansson, 1993; Lim and Ocass, 2001; Petersan and Jolibert, 1995; Thakor and Lavack, 2003; Usunier, 2006). The emergence of hybrid products in the global marketplace caused the relevance of the expression 'made in' to become less significant (Usunier, 2006). Chao (1993) conceded the increasing existence of this situation in international business, in which products or brands are produced by countries far away from the origin home country of the brand. In addition, the globalization nowadays alters the COO perception that 'made in' does not necessarily indicate the origin of a product (Usunier, 2006). Significantly, many brands are found to have not been produced by the same country, where they were originally invented. In fact, the assembly, the parts and the design of a product sometimes are completed in stages in a number of different countries. This scenario causes a misleading orientation of COO and more significantly, it is assumed to have an impact on the relevancy and accuracy of COO evaluation (Lim and O'Cass, 2001).

One of the predicament areas in COO is its multiple concepts that are constantly being revised (Lim and O'cass, 2001). This complicated concepts aroused when Bilkey and Nes (1982) proposed a multi-cue for observing COO effect. Consequently, many extended-perplexing definitions of COO have been introduced in the literature such as country image; 'COI' (eg.

Morello, 1984), country of manufacture; 'COM' (eg. Hugstad and Dur, 1986), country of design; 'COD' and country of assembly, 'COA' (eg. Chao, 1993). Recently, a few researchers have turned to focus the effects of country of parts; 'COP' (eg. Insch and McBride, 2004) and 'PCI' or product country image (eg. Kaynak and Kara, 2000). The continuing inclination among researchers of introducing new COO concepts is seen as an effort to cope with the current business trend of producing hybrid products which are prevalent in the current global marketplace (Lim and O'Cass, 2001)

Another point of weakness in COO studies lies in its application (Bloemer et. al., 2001). In majority of COO studies, respondents were usually required to appraise a product from a particular country. When the evaluation is made on product attributes such as product quality which is assumed to reflect the COO information, consequently this exercise may only measure the image of product evaluated but not the country (Bloomer et. al., 2001). In addition, the COO evaluation that is generally made on the basis of 'made in' information has been criticized by Thakor and Lavack (2003). They claimed that other extrinsic cues, such as brand name, has an equal function likes COO to signify product origin information. They further argued that much of COO literature has given too much emphasis on origin effects at the product level whilst observing the origin effect at the brand level is still under-researched. In fact, there are many COO studies investigated a brand as a proxy for the COO information and presumed brands and products to represent the same thing (Ahmed, et. al, 2004, Hui and Zhou, 2003; Kim and Pysarchik, 2000; Knight and Calantone, 2000; Speece and Nguyen, 2005). Only a few of them conceptualized a brand name as a significant independent variable that has a role to supply product origin information. To focus at the brand level is tremendously important considering the effect of brand name as a better predictor of purchase behavior as compared to the COO and other extrinsic cues (Hui and Zhou, 2003).

The declining importance of COO has also been noticed by few researchers. For example, Leclerc, Schmitt and Dube (1994) discovered that a foreign sounding brand name could provide a better origin clue than COO. Moreover, it was also found the COO information has been rated lower than other product and brand attributes with respect to its importance (Heslop, 1993). In other studies, Johansson (1993) found a consistent result that is similar to Heslop's (1993) findings. He concluded that consumers undervalued the importance of COO after a majority of his respondents' perceived COO information as not significant to influence their actual purchase decision. These studies in fact echoed the work of Hugstad and Purr (1986) whereby 70 percent of their respondents who are in the age below 35, did not perceive the COO information as an important factor that could influence their actual purchase. Apparently, the mentioned studies have provided the underlying reason why the COO information is perceived to be less significant in the eyes of consumers.

PARADIGM SHIFT FROM COO TO COBO

In light of certain important COO gaps that have been deliberated earlier, it is possible to conclude that the current COO approach is no longer relevant in today's business environment when hybrid products are ubiquitous in the global market. To close this gap, Thakor and Lavack (1996) proposed the 'brand origin' (BO) and highlighted a perceptible distinction between the concepts of COO and BO. They defined Brand Origin as "the place, region or country where a brand is perceived to belong by its target market" which indicates

the role of brand origin association as one of the most important personality traits of a brand. The Brand Origin can heighten the value of a brand regardless of where the product or brand is produced. For example Nike, a brand originating in the United States, is manufactured in China. However, most people still perceive the brand as American brand regardless of where the brand is produced. This is contradicted to the COO concept which heavily focuses on the 'made in country' effect and immense emphasis is made to understand consumer perception of where the product was manufactured or where the product was designed.

Inspired by Thakor and Kohli's (1996) proposition of advocating a brand as origin information to replace the COO evaluation, Lim and O'Cass's (2001) investigated the brand origin in a different manner by focusing on the cultural aspects of brand origin. Therefore, both of the researchers added the term 'Culture' in Thakor and Kohli's (1996) brand origin concept as to become 'Culture of Brand Origin-COBO' and postulated that a culture effect is an important factor that can affect brand preference and purchase intention. They further construed COBO as the cultural characteristics in a brand name is vital for consumers to appraise a brand when the made in country information is not available. Apparently, their works have discovered a new way of evaluating the origin concept by proposing the Culture of Brand Origin (COBO) which they believed that this cultural characteristic that is attached to a brand is the most important issue to consumers especially in their attitude and behavior towards the brand.

CULTURE OF BRAND ORIGIN: THE NEW DEFINITION

The need to seek and adopt other mechanisms to predict consumer behavior with the aim of improving the 'origin' evaluation arises due to confusion from the COO concept. Researchers like Lim and O'Cass (2001) focuses on the 'cultural dimensions' as an indicator of the origin of a product, instead of examining the traditional COO, in which their study concluded that consumers are more readily ascertain the cultural origin of brands over their country of origin. They further argued that the Culture-of-Brand-Origin (COBO) is a more appropriate means to evaluate a product's origin considering the difficulty faced by consumers in understanding the complicated concept of COO information such as its manufacture, design, assembly, parts or brand origin.

To operationalize the COBO, Lim and O'Cass (2001) utilized two factors to explain the cultural characteristics of a brand, namely the identification of the original culture behind a brand and ethnocentrism. Empirical evidence from their study ratified the relationship between the identification of culture on attitude towards brand names, as well as to purchase intention of the brand. The second factor, ethnocentrism; was found to have no relationship with the both of the variables. Even though the study has clarified the role of cultural characteristics in the origin of a brand, the inclusion of ethnocentrism as a variable to support the concept of culture is seen as not appropriate, more importantly it does not correspond to the initial definition given by both of them. The definition clearly indicates that the culture here signifies the cultural background of a brand whilst it is apparent that ethnocentrism is not a cultural factor appended in a brand. Ethnocentrism is defined as "the universal proclivity for people to view their own group as the centre of the universe, to interpret other social units from the perspective of their own groups, and to reject persons who are culturally like themselves" (Shimp and Sharma, 1987). With that definition, it provides a clear fact that ethnocentrism is closely related to a particular country's culture and not to a culture which one brand carries.

Thus, it is very imperative to investigate other possible cultural characteristics that can precisely explain the COBO concept.

Usunier (2006) called for a cross-disciplinary work to observe possible origin indicators other than COO which could be an accurate tool to investigate origin effect. To replace the COO concept, some recent scholars have suggested investigating the role of brand origin (Thakor and Kohli, 1996) and Culture of Brand Origin (Lim and O’Cass, 2001). Works such as these have lent support to the idea of observing consumer perceptions and behavior at brand level, and expound a new direction for an origin study to observe a brand name itself to supply the information pertaining to cultural origin. Interestingly, several researchers have highlighted the role of linguistics in a brand name to signify the origin of a product (Li and Shoostari, 2003; Lerclerc and Shmitt, 1994, Thakor and Lavack, 2003). Furthermore, it is said that most of the global brands are developed from specific linguistics system which generally use local spelling and meanings from where the brands originated (Shalofsky, 1987). This is especially true when Schmitt, Pan and Tavasolli (1994) indicated that a language is the core of one specific culture. Moreover, Mc Donald and Roberts (1990) concurred with the aforementioned notion and affirmed that the diversity of linguistics systems of different cultures has made the development of brand names for international markets become increasingly complicated. Zhang and Schmitt (2004) also found that it is crucial for the present marketers to take into consideration the language structure of different cultures which can help them in developing a good brand name for international markets. Therefore, it can be postulated that a brand name via its language and linguistics structures will able to provide essential information about its cultural origin.

Culture remains a crucial element in shaping people’s perception, disposition and behaviors (Markus and Kitayama, 1991, Triandis, 1989). Cultural influence on consumer purchasing behavior has been extensively recognized and has become a major interest in consumer decision-making studies, especially in understanding consumer preferences and acceptance of global brands. Scholar have argued that people from diverse geographic locations and cultural backgrounds to share the same preferences, resulting in the emergence of global brands (Levit, 1983) Levit (1983) further proposed the standardization of a brand name across cultures and geographic boundaries, and strongly stated that a localization of a brand name to adapt to local culture was a trivial idea. Suh and Kwon (2002) however, disagreed with Levit’s (1983) view, by pointing out that consumers from different cultures have different attitudes, perceptions, tastes, preferences and values.

Suh and Kwon’s (2002) notions on culture is widely evident in today’s marketplace, in which many global brand names are adapted to local needs, as in the case of language usage in a brand name. Brand name adaptation is used to cater to the difference of consumer attitudes resulted from different cultural backgrounds. For example, Unilever sells a cleaning liquid named *Vif* in Switzerland, *Viss* in Germany, *Jif* in Britain and Greece, and it is named *Cif* in France (Palumbo and Herbig, 2000). Whilst, UNZA, an established and well known Malaysian brand has managed to translate its local success to foreign countries, by naming its detergent *Maxclean 9* in Malaysia, *Way Way* in Singapore, and *Vigor 33* in Hong Kong (“Unza Builds Potent Malaysian Brands,” 2004). Language is said to be the mirror of a culture (Czinkota and Ronkainen, 1995), and it is perceived as the most important aspect in building a culture (Terpstra and Sarathy, 1997). Language is further contended to be a principal element in a

culture that differentiates groups of people (Brown, 1963). McDonald and Roberts' (1990) research addressed the importance of language, especially its linguistic diversity. They noted that the influence of language and culture, has forced some of the multinational businesses to reconsider their brand names when seeking to establish their brands in new markets that are different in culture and language.

Significantly, study about the linguistic nature of a brand name which presently receives little academic attention must need to be further explored. The necessity to probe the role of language, specifically its linguistic properties as functions and indicators of the product's origin, affecting consumer behavior is evident from the examples of brands highlighted earlier. Recognizing linguistics as an indispensable element of culture, it is reasonable to propose here that the conceptualization of COBO should be centered on the brand name, particularly the language and its linguistics properties. The linguistics properties of a brand name comprised of the morphology, phonetics and semantics build up a distinctive identity to a brand and may provide consumers a general idea of the origin of the brand. For example, Honda- the Japanese car brand. One may understand that the word comes from the Japanese morpheme, and the pronunciation and the sound of the brand clearly indicate Japanese cultural origin. More importantly, its meaning can only be understood when one has studies the language. Thus it is important to evaluate the impact of the linguistics properties of a brand name (language, morphology, phonetics and semantics) on consumers' attitude and behavior towards a brand.

CONCLUSION

The emergence of hybrid products in the global marketplace caused the relevance of the expression 'made in' to become less significant and consistently questionable. This has made some researchers have turned to focus on other alternative methods to evaluate origin effect such as works done by Thakor and Kohli (1996) and Lim and O'cass (2001). Drawing from the notion made by Li and Shoostari (2003) who brought up the issue of language as a potential indicator of cultural origin, it is imperative to investigate the role of brand name linguistics as origin indicator, and subsequently to observe its effect on consumer attitudes and behavioral intention. This may explain why the information on brand name with its relation to the product origin that can predict consumer behavior is a better tool to appraise the origin effect than the evaluation of COO. This viewpoint is in line with the notion expounded by Lim and O'cass (2000) on the importance of Culture of Brand Origin (COBO). To conclude, the paper has revised and enhanced the definition of COBO which has been first coined by Lim and O'cass (2001). This study postulated that the cultural characteristics that are appended to a brand are in fact the linguistics characteristics of a brand name which these factors can modify consumer's attitude towards the brand as well as to affect his or her intention to purchase the brand.

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