Determinants Factors of Leading to Consumer-Based Brand Equity: A Case Study of Female Napkin Brands in Beijing, China

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***Abstract*—**The purpose of this study is to explore the impact of country- of-origin and customer ethnocentrism on consumer-based brand equity of branded-female-napkins in Beijing, China. Consumer-based brand equity of branded female napkins is examined through secondary data are derived from primary data collected from a consumer sample size of 30 in Beijing, China. Data analysis was done using Statistical Analysis System (SAS) program with license number 124-006-09. Results showed that the mean score of four sub-variables, for example brand awareness; brand association, perceived quality and brand loyalty from different attitude towards country-of-origin are different. Even different variables have effect on consumer-based band equity, this study dealt with only two variables that may limit the total process of consumer-based brand equity reinforcement. It implies that marketing managers need to identify the country-of-origin effect when they consider the sources of the consumer-based brand equity which is a health indicator for multinational corporations.

***Keywords*—** Branded female napkins, Consumer-based brand equity, Country of origin, Customer ethnocentrism, China.

I. Introduction

NOWADAYS, foreign products and brands are competition with the Chinese domestic products due to the trend of globalization and internationalization. And the reform and open-up policy paved the way of foreign Multinational Corporations (MNCs) obtain massive chance to compete with the domestic markets (Lee et al,. 2010) [1]-[3], [14]. The consumer-based brand equity is closely related to the success of the MNCs because it contains a variety of ranges such as experience of consumers, felling and knowledge studied from the brand in long term (Moradi et al,. 2012) [15]. However, the success of MNCs is suffered from the level of customer ethnocentrism which is a global phenomenon, and it is varied from different countries [4]. The appearances of the customer ethnocentrism phenomenon has led to country-of-origin (COO) was taken into account by customers when they purchasing (Deb et al,. 2012) [7].

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II. Literature Review

A better understanding of connection between consumer-based brand equity and country-of-origin and customer ethnocentrism respectively is significant for a variety of reasons. The consumer-based brand equity is defined as the index of brand healthiness and it is the core essence which is the added value by customers. With the violent competition with international brands, marketing managers should have a good knowledge of how to maintain the core essence of their brand (Pappu et al,. 2006) [17].

The country-of-origin of the brand means where the products and brands are produced which is regarded as the significant element of marketing and influencing the customer perception then. The study of COO literature is rich which consists of both developed and developing countries [5]. The studies of COO elaborated the complexity level which ranging from the discussion of COO itself to the sub-variables of COO including country-of-design (COD), country-of-assemble (COA) and country-of-manufactured (COM) (Pappu et al,. 2006) [17]. Wong et al. (2008) concluded that the attributes of the products and brands are more considered than the COO no matter the developed country and developing countries [23].

Deb et al. (2012) also studied the relationship between customer ethnocentrism between patriotism, animosity, cosmopolitan, and collectivism respectively. Deb et al. (2012) found that customers who are ethnocentric are willing to purchase other countries [7]. Moradi et al. (2012) found the decompose concept of COO and investigated the country of brand (COB) and country of manufactured (COM) on the formation of the overall brand equity with the moderating variable of product involvement level. And it is found that COM and COB have a direct and significant effect on brand loyalty and COB positively influences perceived quality, brand awareness or brand association among Iranian consumers [15] [16].

Another significant contribution to the literature review of consumer-based brand equity was made by Quester (2006). The author conducted the research to better understanding the relationship between consumer-based brand equity and country-of-origin. It is found that the consumer-based brand equity varied based on the country-of-origin of the products

and brands and product category [17].

The findings of Chen (2006) are very similar to that of Wong (2008). Chen (2008) compared the Taiwanese and Indonesian customers' attitude towards the American products, and the results showed that COO has a significantly positive effect on the attitude towards the American-made products. A comprehensive study in this area would be beneficial to both academicians and marketing of MNCs. As a result, by studying of the core essence of the MNCs, marketers would developing a deeper understanding of Chinese customers, such as their attitude towards foreign products, level of customer ethnocentrism levels. The understanding of the need and wants would beneficial marketers to propose competitive strategies [6]. According to above objectives, this research aim to study:

1. The many-sided antecedents to Customer ethnocentrism
2. The impact of customer ethnocentrism on consumer-based brand equity; and
3. The impact of country-of-origin on consumer-based brand equity, with the moderating attitude towards the country-of-origin effect.

III. Conceptual Model

In this research, consumer-based brand equity and its four sub-variables are independent dependent variables. i.e. brand awareness, brand association, perceived quality and brand loyalty. There are total six independent variables which are customer ethnocentrism, country-of-origin, patriotism, animosity, cosmopolitan and collectivism which showed in Figure 1.

A. Consumer-based brand equity and country-of-origin

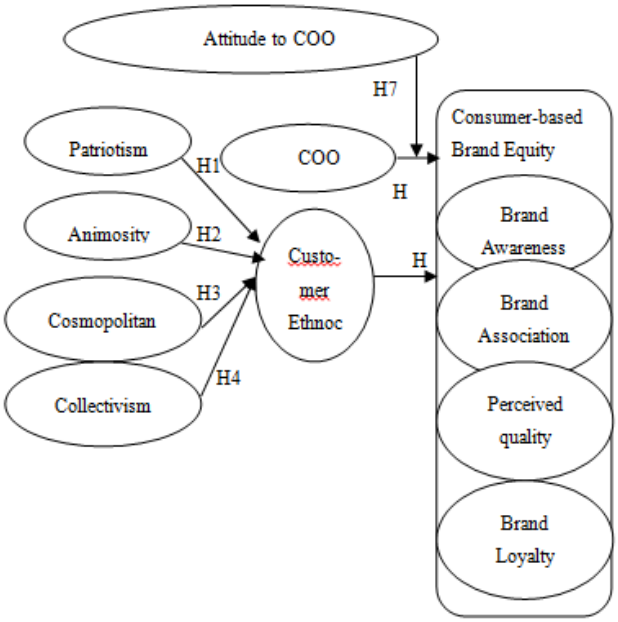

Fig. 1 Conceptual Framework

The main purpose of the research is to identify the factors which leading the consumer-based brand equity. Quester (2006) elaborated the necessarily and importance of study the consumer-based brand equity which explained how marketers deal with competition with the crucial strategies. Studies of consumer-based brand equity had proved that MNCs which possesses good knowledge of consumer-based brand equity tend to be more competitive than the ones without understanding this point [17].

It is significant to study the association of country-of-origin in customers' mind and consumer-based brand equity. The country-of-origin of the products and brands are similar to the brand name which influencing the perceptions of the brand and purchase intention of the brand. It is studied that given the product category, the consumer-based brand equity of the brands varied depend on the change of the COO. In other words, customers may have favorable or less favorable association towards a specific product category [18] [24].

B. Customer ethnocentrism and factors leading to CE

Customer ethnocentrism is defined as the tendency to view one's own group as the center of everything (Deb, 2012). John, et al. (2011) postulated that attitude towards foreign products are varied according to the level of customer ethnocentrism levels. Ethnocentric customers tend to be more patriotic without reasons. Patriotism means one's love and devotion towards one's own country [11]. Jin (2006) elaborated that if customers are concerned about quality, functions and attributes than the country-of-origin, then they are considered as cosmopolitan which means they are more globally oriented than the locally oriented. Another variable which is associated with the customer ethnocentrism is animosity. Animosity means emotional felling to the geographic origin of products and brands as well as to the remained part of hate towards a country [10]. The last variable which affecting customer ethnocentrism is collectivism which means a group of people who are subordinates their personal goals to the goals of group (Deb, 2012) [7], [12]-[13]

IV. Methodology

Questionnaires were distributed to Chinese respondents chosen on the basis of judgment sampling and convenience sampling. Respondents were users of the branded female napkins. A total of 600 responses were collected from the sample located in Beijing, China. The survey questionnaire included four sections. Section one of the questionnaire contains one question which ask whether the customers had the experience of using the listed branded female napkins or not. Respondents had options to answer to say yes or no. If they had no any experience of using these brands, they would not allow answering the further questions.

Section two of the questionnaire included items measuring the various dimensions of independent variables, such as patriotism, animosity, cosmopolitan, collectivism, customer ethnocentrism and country of origin.

Section three of questionnaire included items measuring various dimensions of consumer-based brand equity, i.e. brand awareness, brand association, perceived quality and brand loyalty [19].

Demographic questions (e.g. ethnicity, age, occupation, education level and monthly income) were included in section four of the questionnaire. In order to improve readability and

understanding, the questionnaire was pre-tested using a judgment sample of actual consumer, and was subsequently revised [20].

V. Results And Discussion

A. Respondents' characteristics

From the total sample, it found that among total six hundred respondents, most of the respondents are Chinese nationalities which are aged between 25 to 39 years old. And mot of the respondents is student. Lastly, most of the respondents own below 5,000 Yuan per month.

B. Regression analysis

In order to determine the relationship between customer ethnocentrism and antecedent variables, the customer ethnocentrism variable and antecedents was used Pearson correlation test. The results are shown in Table I.

From these tables it had been found that independent variables patriotism, animosity and cosmopolitan have no relationship between customer ethnocentrism. But the independent variable collectivism had a significant as well as positive relationship with customer ethnocentrism at the significant level of 0.000. It is evident from the R2 value that 21.3 percent of the variable in customer ethnocentrism has been explained by the variance of collectivism. The standard beta weight also confirms the positive relationship between collectivism and customer ethnocentrism. It is evident by analyzing beta coefficient that collectivism (46.2 percent) has contribution towards customer ethnocentrism. This result supports the collectivism factor had a positive influence on customer ethnocentrism on branded female napkins.

The remind tables shows that there is no statistical relationship between customer ethnocentrism and patriotism, animosity and cosmopolitan respectively. As it indicates in Table I that all the significant level of Pearson Correlation tests are grater than 0.05 significant levels.

Table I
Effect Of Patriotism On Customer Ethnocentrism

Independent variable	R-square	Standardized beta	t	Sig.
Patriotism	0.000	0.001	0.013	0.990
Animosity	0.004	0.063	1.555	0.121
Cosmopolitan	0.003	0.050	1.233	0.218
Collectivism	0.213	0.462	12.740	0.000

C. Results of MANOVA

The results of all multivariate hypothesis testes associated with the consumer-based brand equity and customer ethnocentrism and country-of-origin are summarized in Table II.

The two-way multivariate interaction between customer ethnocentrism and consumer-based brand equity was significant level p>0.05 indicating that the dependent variables, the set of four consumer-based brand equity variables are same according to customer ethnocentrism level.

The two-way multivariate interaction between country-of-origin and consumer-based brand equity was not significant level p>0.05 indicating that the dependent variables, the set of four consumer-based brand equity variables are varied according to customer ethnocentrism level

The two-way multivariate interaction between customer ethnocentrism and consumer-based brand equity was significant level p>0.05 indicating that the dependent variables, the set of four consumer-based brand equity variables are varied according to attitude towards country-of-origin.

Table II
Manova Results

Between-subjects effect	Roy's largest root	Exact F	Hypothesis df	Error df	*p*	MVη^{2s}
CE*CB-BE	0.011	1.659	4.000	595.000	0.158	0.011
COO*CB-BE	0.037	5.451	4.000	595.000	0.000	0.035
ATTCOO*CB=BE	0.221	32.810	4.000	595.000	0.000	0.181

VI. Conclusion And Implication

The finding confirmed that the level customer ethnocentrism is varied according to the collectivism of customer ethnocentrism which predicted by many researchers, such as Pappu (2006) [17].

Further, the result of the four sub-variables of consumer-based brand equity which including brand awareness, brand association, perceived quality and brand loyalty are different when determined by different country-of-origin and attitude towards country-of-origin. The previous research had examined the association between four sub-variables of consumer-based brand equity and different country of origin and product category association [8]-[9].

A. Managerial implications

The results give implications of marketing mangers to identify the sources of consumer-based brand equity because it is considered as index predicting the health of the MNCs. Further, the effects of country-of-origin and attitude towards country-of-origin with the consumer-based brand equity should be taken into the account. For example, the specification of country-of-origin of branded female napkin products should included in the label of the package.

The result of attitude towards country-of-origin have implications that for MNCs marketing, advertising and positioning strategies. Traditional, customers have the idea of products which originated from developed countries are normally products with higher quality and indeed customers will associate positive attitude towards that brand [21]-[22].

B. Limitations and direct further research

Our study focus on measuring the effect of determinant factors leading the consumer-based brand equity. An important direction for further research would to examine how the consumer-based brand equity would be change if the attitude towards country-of-origin changed in the opposite way. For example, what would be happened to the consumer-based brand equity if the attitude towards country-of-origin changed

from positive attitude to negative attitude? The result will beneficial for the MNCs which competing the international market.

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