

What is new about country-of-origin? The Handicraft Effect.

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Abstract

The purpose of this research is to understand the influence of “Made in” label on consumers’ perception referring to handicraft products, a new product category that has not been studied before and go beyond the product-country image associations in COO literature. Qualitative Research results showed that for handicraft products country-of-origin is not just another quality indicator, but rather an informational cue which represents the culture, the know-how, the colours and the people of that specific country. Consumers express desires to support, care for, and recognise the hard work of craft producers. The analysis showed that the country image and the stereotypes play a lesser role in handicraft buying process, because people prefer to take into account their personal experiences and knowledge of that country. New concepts in COO literature, such as Topophilia and perceived authenticity, are proposed. The key findings, that were provided, contribute theoretically to the most studied and still one of the most trendy research topics in international marketing by bringing out new concepts and new elements forming the COO effect

Key Words: Country-of-origin effect; Handicraft;

Introduction

In this era of global brands one of the big challenges for marketers is how to manage their product and brand in order to create consumers' positive attitude towards the latter and eventually to make them buy the products. In this perspective, managers should understand how the information they give about their products and brands may impact customers' perception and attitude towards them. The country of origin (COO) or the labelling of the territorial origin of the product, such as the label "Made in", is an informational cue that can be given (or not) and that may impact the perception and the attitude of the consumer towards the brand and the product itself. The psychological effect that describes how the country of origin influences consumers' perceptions, attitudes and purchase decisions is known as the country-of-origin effect.

This effect has been widely studied in the past few decades, however it is still a highly discussed concern in international marketing (Diamantopoulos et al., 2018; Josiassen et al., 2013; Koschate-fischer et al., 2012; Papadopoulos et al., 2018). According to the extant literature, consumers make their assumptions and perceive the quality of a product based on intrinsic (design, colour, taste etc.) and extrinsic cues (country of origin, price, brand name) (Jacoby et al., 1971). Country of origin (COO) influences consumers' perceptions and evaluations of a product by serving as an informational extrinsic cue (Verlegh and Steenkamp, 1999). Moreover people frequently rely on these extrinsic cues for product judgments (Teas and Agarwal, 2000), because they see these cues as credible and solid evidence of product quality and value. Others think that customers do not typically possess nor seek country-of-origin information during their purchase (Teas and Agarwal, 2000). They show that the label "Made in" has very little weight on customers' buying decision. These controversies made us go deep into the extant literature and an explorative systematic literature review allowed us find a ground for a research, new product category that has not been studied before, in case of which the country-of-origin effect might be different from that of all other industrialized products. What if the country-of-origin or the "Made in" label, which is an undeniable indicator of quality and value, has much more to communicate than just the quality of the product? What if this label is an evidence of culture, history, traditional colours of the producing country and authenticity and uniqueness of this particular product. Isn't it the case when we talk about handicraft products? Handicraft products: colourful, woven and twined African baskets, Moroccan embroidered babouches or neat and disciplined Japanese Origamis; what does the country-of-origin indicate in this case and how does it influence the customers' perceptions?

Research Questions

As there is no previous research done in extent country-of-origin literature in the context of handicraft products, our exploratory analysis has aimed to discuss and analyse, in a general way, the motivations and thoughts of consumers on handicraft buying, thereafter to impose the content into the context of "country-of-origin" in order to understand whether this labelling plays a role in their decision making and how it could possibly influence the country-of-origin effect scale.

RQ 1: What is the role of country-of-origin in handicraft buying process?

RQ 2: What new concepts can the handicraft consumption bring to the country-of-origin theory?

Methodology

This exploratory research has employed a qualitative approach to gain an in-depth understanding of the motivations behind handicraft buying and the perception of country of origin in the context of handicraft products. The respondents were chosen using a judgmental/ selective sampling approach, because of their knowledge and experience. We conducted an explorative systematic literature analysis and qualitative interviews with 20 French customers, aged between 23 and 85 years, who have recently bought a handicraft product. Interviews were conducted in Lyon, France. They lasted about 35-55 min and were conducted in different places, such as cafes, interviewee's house, expositions, stores, etc.

Results and Discussions

In this section we will present the key findings of our qualitative research, as well as complement with the elements offered in country-of-origin context. Thus, we'll offer our ideas of what the role of country-of-origin in handicraft buying process is, as well as we'll offer new concepts for the future research in COO topic.

What is the role of country-of-origin in handicraft buying process?

In order to understand if consumers pay attention to the country-of-origin of the handicraft product they buy and to have an idea how that label may influence their decision making, during our interviews we asked questions related to the label "Made in". First of all, we tried to find out whether the image of the country matters when buying a handicraft product and if it is different for products from developed and developing countries.

1) **Made in: More than a label of provenance**

During our interviews we offered our respondents to choose between two identical handicraft products, such as two handicraft plates with different countries of origin. As the majority of studies done in this field, we too, wanted to find out which of the identical products they would prefer, if one is made in Morocco and the other is made in Austria. With a single-cue mini experiment, we wanted to see whether the country-of-origin effect is possibly the same with handicraft products. As a result, we found out that our respondents don't understand the idea that handicraft products can be identical, because the main reason of buying a handicraft product is its authenticity and uniqueness. Moreover, they think that the label "Made in" doesn't make sense if it doesn't represent the culture and the particularities of that country. For example,

"After that it's a bit of a weird question, because in fact 2 handmade plates can't be the same, because one will have an Austrian style, the other Moroccan. You know what I mean. So it's not just the fact that it comes from there. If you buy an Austrian plate, you buy the particular style that you found different in each region".(Female, 48)

It seems important to recognize the fact that country of origin is not "just another" quality cue, but that its effects on consumer behaviour are based on a wider range of connotations, including affective and normative dimensions.

2) Social/ethical consumption and country-of-origin

In the modern society, people are more and more aware of the impact of their consumption on our surroundings and the society which created the new term of ethical consumption. Thus, for some consumers, handicraft represents an opportunity to high quality, luxury products by adopting a consumption behaviour supporting socially responsible. As our study showed, consumers express desires to support, care for, and recognise the hard work of craft producers. They showed interest more in buying handicraft products from developing countries rather than from developed countries by claiming that by their act they help the economy of less developed countries. For example:

“As a consumer, it is important for me that I participate in the local economy of the place where I am, it can be either the place I live or the place I’m visiting during a holiday.” (Female, 44)

Thus, we can assume that the country of origin effect will be smaller if the motivation behind the handicraft buying is from social or ethical perspectives.

3) Country image vs personal experience/knowledge

The analysis of the interview transcriptions showed that almost all of our respondents have a negative opinion about “Made in China” label, because they don’t trust the image of China as a producer country. However, when we talk about the handicraft product specifically and its’ buying process, we found out that people could not evaluate the handicraft product when being given the country of origin. If they had no previous experience with that specific country or no specific knowledge about the cultural and traditional particularities, they could not evaluate a handicraft product made in that specific country by building their opinion only on the image of the country. We have asked to describe a handicraft product made in Armenia, and the majority of our respondents had no idea about a handicraft product, because they didn’t know the country, its culture or had never been there. For example,

“I’m pretty neutral; I can’t tell you if I have a good opinion or a bad one. I don’t know this country. I won’t be able to tell you what Armenian specialties are. You see I don’t have that knowledge of this country to attach in my head. Apart from Mount Ararat, I know nothing about this country. Thus, I can’t say anything about the handicrafts coming from this country» (Male, 50)

Country experience has an influence not only on perceptions and attitudes but also on consumer behaviours. Moreover, it evokes feelings and memories by creating emotional attachments. Since these attachments strengthen the country and the product effect, they become a significant determinant of the country-of-origin effect. Our interviews showed that consumer’s personal experience and knowledge of the country has a substantial role in the buying process of the product. The study showed also that consumers’ COO evaluations are mostly based on their experiences and memories, because respondents were not able to evaluate a COO when they had no prior knowledge or experience of that country. In some cases, it directly influences individuals’ perception and attitudes. So we can assume that the COO effect for handicraft products will be larger if consumers have a personal experience and memories in that country. People who have visited a country, have made connections with its culture and with its people,

will be more keen on paying attention to the products' COO label and will have a more favourable attitude towards those products.

What new concepts can the handicraft consumption bring to the country-of-origin theory?

Topophilia

We came across with a new concept, topophilia, which derives from Greek for place (topos) and love and/or friendship (philia) and stands for the affective bonds between people and places or settings (Tuan, 1974). A few of our respondents, having a strong sense of place, claimed that they buy handicraft products from countries they love and feel connected with, in this way they reinforce the deep sense of attachment they have towards that specific place. For example,

“Oh, I love Portofino and I love everything reminding me my happy days in this beautiful city. So I'm basically buying everything that comes from there or has its image on it”

Thus, we are certain that customers who feel topophilic towards a specific country are keener to buy handicraft products from that country-of-origin. Furthermore, this concept was offered to be studied by Papadopoulos (2018)¹, which proves its potential of being a new trend in international marketing and COO theory.

Perceived Authenticity

Our study showed that our respondents juxtapose the words “handicraft” and “authenticity” in a closely related way. For example, one of our respondents said that “authentic is one of a kind where no two are alike due to the material used.” Other respondents used phrases like “there are only a few existing copies” or “not fabricated in the millions” while talking about handicrafts. Some respondents defined the handicraft as “something I have never seen somewhere else before,” or “a product that can't be bought around where we live.” For example,

"I think, when you buy handicraft products, it's a bit for showing that I have been there, it's kind of proof, authentic. Because when you buy something that you can buy anywhere in the world, it won't prove anything."

Thus, we found out that the “authenticity” or the “perceived authenticity” is strongly related to the country-of-origin. The more authentic the item is for the customer, the higher value it has for its customer, thus the country-of-origin effect could possibly be higher and be in direct relation to perceived authenticity. This concept has not been studied before in COO literature and we think that it is worth being studied in coming research papers.

Conclusion

The purpose of our research was to understand the influence of “Made in” label on consumers' perception referring to handicraft products, a new product category, that have not been studied before and go beyond the product-country image associations in COO literature. The key findings that were provided contribute theoretically to the most studied and still one of

¹ Source : (Papadopoulos et al., 2018)

the most trendy research topics in international marketing by bringing out new concepts and new elements forming the COO effect. Moreover, the interest of our research is both referring to the customer (what does he/she seek through the territorial origin of the product?) and correspondingly to the management of the country-of-origin effect (how this effect should be used in favour to the manufacturer?). Our research offers new concepts in COO theory, such as topophilia and perceived authenticity, which are closely related to the product category and play a huge role in the country-of origin effect scaling. And finally, our findings offer a new ground for further quantitative research in order to understand the influence of the COO on customer's perception for handicraft products, which as we showed is different from that of industrialized products and can prove that country-of-origin is not only an indicator of quality.

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