

Country of origin: Are negative stereotypes always bad for business?

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Consumers worldwide associate France with fashion and luxury and are willing to pay a lot for French luxury products such as perfume and wine. But what about products made in countries with less favorable reputations? A new study in the *Journal of Consumer Research* shows that consumers won't judge a country's products by its reputation if the products are well-made.

"Positive feelings about a country don't always translate into more favorable opinions of its products. A positive opinion of a country may actually make consumers think more about whether or not the country is known to be good at making a product. On the other hand, negative feelings toward a country make consumers think only about a product's features and less about the country of origin," write authors Cathy Yi Chen (Singapore Management University), Pragya Mathur (Baruch College, City University of New York), and Durairaj Maheswaran (New York University).

The authors questioned the assumption that positive feelings toward a country should lead consumers to like all products from that country, while negative feelings should lead to the opposite. In one study, consumers read about a fictional travel website where a traveler had described either a positive or negative experience while traveling in a country. Participants then read about a new digital camera that is manufactured in that country.

When consumers had negative feelings toward the country, they thought

only about the product information and not about the country of origin. However, when [consumers](#) had positive feelings toward the country, they also considered whether the country was well known for making digital cameras.

These results offer insight for countries such as China, India, and South Korea that are engaged in major international branding campaigns. Advertising may not always help promote products if a country does not have a good reputation for producing quality products. In this case, the authors recommend that countries highlight superior product features.

"Country of origin is an important determinant of business success. Because all country stereotypes are multifaceted, it is important to understand not only a country's reputation for making quality products, but also how exposure through travel and advertising impacts consumer opinion of a country's products," the authors conclude.

Provided by University of Chicago

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