

Chapter 8

Ingredient Branding Strategy to Improve Brand Attitude for Chinese Brands Suffering From Country-of-Origin Effect in Foreign Markets: An Empirical Study on BYD Tang Electric Vehicle Model

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ABSTRACT

This study aims to investigate the impact of brand attributes and celebrity endorsement on foreign consumers' brand attitude towards the Chinese automotive brand BYD and its car model BYD TANG EV. A survey was conducted among 236 foreigners, and the results suggest that foreign consumers' brand attitude is positively influenced

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by functional, symbolic, and experiential attributes of the brand. Furthermore, the use of a celebrity endorser with high credibility enhances foreign consumers' brand attitude towards BYD and BYD TANG EV. The findings provide important insights for Chinese automotive brands on the importance of branding and celebrity endorsement in global marketing, particularly when targeting foreign consumers.

INTRODUCTION

The use of ingredient branding is an essential marketing tool for enhancing customers' brand attitude. This strategy is similar to co-branding, where two brands associate their image within the same product. However, in ingredient branding, the host brand is dominant, and the ingredient brand is an accessory. Consumers tend to have a positive brand attitude towards the host brand when it is associated with a high-profile, high-quality brand, or a high-credibility celebrity endorsement. This study aims to investigate whether and how ingredient branding can increase brand attitude towards Chinese brands in foreign markets that suffer from a negative country-of-origin image. The results could provide Chinese brand managers with a new perspective on enhancing customer brand attitude while reducing the country-of-origin effect. The authors conducted an experiment by manipulating the ingredient branding for a Chinese brand and surveying non-Chinese respondents. After analyzing the data, the results showed that using ingredient branding for a Chinese brand has a positive effect on brand attitude among non-Chinese respondents. However, living in China did not affect brand attitude for those respondents, and familiarity with China only had a slight positive effect on brand attitude. The study discusses several implications for Chinese brand managers, as well as limitations and recommendations for future research. Using ingredient branding can help enhance brand attitude for Chinese brands in foreign markets with a negative country-of-origin image. The study's findings provide insights for marketers on how to utilize ingredient branding effectively and mitigate the impact of the country-of-origin on brand attitude.

When a brand enters a foreign market, it not only brings its product values and brand image but also carries the image of its home country, also known as the country-of-origin effect. If the country of origin image is positive, it reinforces the brand evaluation from foreign customers, but the opposite is also true. This is the challenge facing several Chinese brands trying to enter foreign markets. The "Made in China" identity is still associated with negative stereotypes, posing many challenges for Chinese brands willing to enter developed countries' markets.

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