Relationship among China’s country image, corporate image and brand image

A Korean consumer perspective

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Abstract

Purpose – The purpose of this paper is to investigate the effect of China’s image as a country on consumers’ evaluations of brands. Drawing on the literature pertaining to country images and country-of-origin effect, a research model was developed to evaluate country image, corporate image and brand image.

Design/methodology/approach – To test the model and investigate the effects of country, corporate and brand image on brand attitude and purchase intention, a survey was conducted that examined Korean consumers’ attitudes toward well-known Chinese brands.

Findings – China’s country image was found to comprise four dimensions: political image, economic image, citizen image and country relationship image. Country image had a direct positive effect on brand attitude, and through brand attitude, country image had an indirect positive effect on purchase intention. Corporate image and brand image had a positive effect on brand attitude and a direct positive effect on purchase intention. In addition, country image had a positive effect on corporate image, while through corporate image, country image had an indirect positive effect on brand image.

Originality/value – These findings not only offer theoretical evidence for research on China’s country image, but also provide empirical evidence to support the “going global” strategies of Chinese enterprises.

Keywords Brand image, Corporate image, Purchase intention, Country image, Brand attitude, Country-of-origin effect

Paper type Research paper

1. Introduction

Today, great changes are taking place in the evaluation standards for international country formation. Symbolic factors encompassing international brand image, corporate image and country image are emphasized in evaluating international competitiveness (D’Astous and Ahmed, 1999); these are composed of micro- and macro-structure competitiveness. In traditional industrial societies, evaluation factors for international competitiveness include natural resources (e.g. land, coal and petroleum), material resources (e.g. machines and buildings) and human resources (e.g. education and proficiency).

In the macroscopic aspect, country image is an important evaluation factor in international marketing. Developed countries have therefore sought effective methods to manage and maintain their image. With the strengthening economic trend toward international trade and globalization, consumer evaluation of foreign product image has become an important factor for enterprises to consider when formulating international marketing strategies.

The export price of a product rises more than 10 percent with a single-stage increase in a country’s image. Therefore, enhancing country image can expand sales abroad in the short term and help corporations develop overseas markets and expand exports in the long term.

Microscopically, with supply surpassing demand and production techniques developing rapidly, low-price, high-quality strategies contribute less to attaining advantage for corporations. In this context, the consumption method of consumers is shifting from being quality oriented to sense oriented (Li et al., 2008). Therefore, it is particularly important to form positive corporate and brand images in consumers’ minds and to influence brand evaluation by affecting consumers’ brand faith, cognition and attitudes (Lee and Lee, 2006).
Some studies have found that country image can produce a halo effect, which, in turn, influences consumer attitudes toward products from that country, thus helping corporations to maintain an international competitive advantage (Li et al., 2008). It is especially true in international markets that a positive country image helps enhance competitiveness. Products with high international competitiveness can be closer to consumers and establish more positive images (Moffitt, 1994; Nguyen and LeBlang, 1998). For example, products that are close to consumers such as cars, household appliances and mobile phones are more significantly influenced by symbolic image.

Following 30 years of opening up and reform, “made in China” products and Chinese corporations are playing increasingly important roles in the international market. Well-known Chinese corporations, such as Haier and Lenovo, are expanding overseas through mergers and acquisitions. Foreign consumers are becoming more acquainted with Chinese products and brands. Therefore, recognizing the influence of country image on brand attitude is particularly important for guiding Chinese marketing campaigns and enhancing the international competitiveness of Chinese products. At the end of 2009, an advertisement related to China’s country image, specifically in relation to “made in China,” aired on CNN, showing that China understood the importance of establishing a good country image overseas.

As such, there is a clear need for theoretical research on China’s country image in relation to brand perception. While many studies have investigated the relationships among country image, corporate image and brand image, relatively few have focused specifically on country image (Li et al., 2008) and brand image (Guan and Dong, 2008) in the Chinese context. Theoretical foundations have been provided for understanding country image and evaluating its influence and that of brand image on consumer behavior. Though some studies have focused on domestic consumers in China, there is a need for more country image research that considers international market structures and the perceptions of foreign consumers. Moreover, most country-image studies have focused on world-famous brands originating from developed countries; few, however, have considered developing countries. At the same time, as the themes of country image, corporate image and brand image have tended to be considered separately in various realms, gaining a comprehensive understanding of country image in China remains elusive.

In light of the above, the objectives of the present research were as follows: based on qualitative research and literature review, this study aimed to establish a measurement model to apply to China’s country image while analyzing the relationships among country, corporation and brand. Assuming that corporations should not be confined to the domestic market but should have an international focus, the model was also tested based on foreign consumers in terms of international marketing strategy. This approach aimed to fill a gap in existing research, which has restricted its focus to domestic consumers in China. Moreover, this study sought to enrich theories about China’s country image through empirical investigation. It also aimed to emphasize the importance of establishing country-brand marketing strategies in order to provide a reference for Chinese corporations entering the international market. Finally, this paper hopes to offer useful advice for enhancing the international competitiveness of Chinese products.

2. Literature review
2.1 Country image
In the macroscopic aspect, variables, such as country image and country-of-origin effect, have direct or indirect effects on international competitiveness; various studies have advocated investigating competitiveness based on those variables. However, differences in manufacturing, branding, assembly, research and country development levels have given rise to multi-origin, hybrid products, thus changing consumers’ perceptions of product origins. Therefore, it is essential to define competitiveness from other perspectives (Funk et al., 2010).
The present study is not limited to the country-of-origin effect but extends to country image as well.

The notion of country image includes features of country-of-origin effect as well as others. Country image is defined as the overall cognition of products made in specific countries (Bilkey and Nes, 1982; Crawford and Garland, 1988; Han, 1989; Hong and Wyer, 1989; Yoon, 2006). Okechucu (1994) suggested that country image refers to the cognitive structures of perceivers in terms of indication, faith and expectation. According to Roth and Jean (1992), country image is a kind of stereotype and prejudice regarding products originating from countries foreign to the consumer, and it includes aspects of history, politics, culture, diplomacy, economics, society, art and environment. Narayana (1981) suggested that country image indicates the overall image of a country combined with the essence its products as recognized by consumers. Martin and Ergogku (1993) defined country image as the sum of a country’s descriptive, inferential and informative qualities as perceived by a person. The present research, following Li et al. (2008), defines country image as consumers’ overall perceptions of a country and its products.

Researchers have focused on the effect of country image on a country’s economy and businesses. According to Kotler and Gerner (2002), country image affects a country’s products and services, as well as investment, commerce and travel. To promote product sales and develop marketing strategies, the effects of country image should be emphasized, and the definition of a country should be embodied in brands and products. Moreover, the product feature of easy copying should also be included in the related research. Consequently, brand strategy, which is an important way to accomplish the goal of product differentiation, is widely used. As a significant external factor, country image can reduce consumers’ perceived risks when they select products. Researchers have also emphasized the concept of country brand. Papadopoulos et al. (2010) found that country equities vary throughout research on country image. Research has also found that country-level strategy is essential for establishing a valuable country brand. Other studies, emphasizing the importance of the country-image concept, have identified mistakes managers make when using country image as a marketing method. Knight et al. (2007) found that consumers with high levels of professional skill are more affected by country image than general consumers when making purchasing decisions. This finding also suggests that, in addition to quality, importers also consider country-of-origin when deciding whether to import goods. Therefore, creating a positive country image should be emphasized.

As Chinese enterprises and products are playing increasingly important roles in the international market, researchers in China have studied country image and country brand attitudes. Wang and Zhao (2004) focused on the brand origin effect and found that country image affected consumer brand faith and purchase intention. Taking the Hangzhou market as an example, Han (2006) investigated Chinese consumer attitudes toward car brands from countries such as China, Japan, South Korea, USA, Germany and France. The results showed that consumers’ perceptions of the country-of-origin affected brand attitudes and purchase intentions. Based on Fishbein’s reasonable behavior model, Li et al. (2008) studied the effect of country image on Chinese consumers’ purchase intentions and devised the following four dimensions of country image: degree of development, overall evaluation of people, overall product evaluation and country relationship evaluation. However, the transfer of the country image observation value to the factors led to some degree of information loss.

Many studies in the country-image literature have confined their focus to areas such as a country’s overall product image (e.g., “made in Japan”) or specific products from certain countries (e.g., cars made in Japan). Country image, however, comprises multiple components, not just consumers’ perceptions of a country’s products but also perceptions of economic image, political status, country relationship and industrialization level (Bannister and Saunders, 1978; Ahn, 2005; Li et al., 2008). Therefore, it is necessary to adopt a broad concept of national image and analyze...
the influence on consumers in terms of economics, politics and culture (Papadopoulos, 2000). Ahn (2005) found that the image of citizens can be a dimension that influences consumer behavior. That research divided country image into four dimensions: political image, economic image, citizen image and country relationship image.

2.2 Corporate image

In the microscopic aspect, corporate image has both direct and indirect effects on competitiveness. While corporate image is widely studied, it is not sufficiently defined. Bouding (1956) introduced the corporate-image concept and suggested it is more about subjective feeling than truth; it is an opinion based on perceptions that rely on insufficient, fragmented information. Corporate image can also be understood as consumers’ subjective attitudes and feelings derived from enterprises and their behaviors (Martinau, 1960). Researchers generally agree that corporate image is a combination of impressions and attitudes shared among people and can refer to people’s positive or negative attitudes toward a corporation (Barich and Kotler, 1991; Fombrun, 1996). While early research did not consider the relationship between corporate image and brand, most studies have identified a relationship between corporate image and product image. This relationship affects consumers’ judgment and product selection (Keller and Aaker, 1992; Brown and Dacin, 1997). Brown and Dacin (1997) suggested that consumer brand faith and their evaluations of corporations can be comprehensively defined as a corporate-level association that has a great impact on consumers’ reactions (attitudes, evaluations and purchase intentions). Some studies have focused on the factors influencing the formation of corporate image. Studying corporate advertisements, Winters (1986) found that the factors influencing the formation of corporate image included corporate actions, social actions and contributions to society, with corporate actions being the most significant factor influencing consumer attitudes.

Other researchers have analyzed corporate image from the perspective of corporations. Shimp and Bearden (1982) argued that corporate association refers to consumers’ cognition of a corporation, while corporate image is the overall association with and cognition of the corporation. Brown and Dacin (1997) defined corporate association as consumers’ evaluation and cognition based on all information about a corporation. As such, corporate image and corporate association can be considered highly similar; accordingly, this study defines both as “corporate image.”

Since corporations, rather than countries or individuals, play active roles in the market, they significantly benefit from country image, which they help to establish. Therefore, when a company’s products enter the international market, corporate image and country image both have influence (Lee and Lee, 2006). Meanwhile, an impressive corporate image can have a considerable effect on consumer behaviors and attitudes. Thus, corporate image is a key factor in determining whether a marketing campaign will be successful.

2.3 Brand image

Brand image is another variable that directly or indirectly influences international competitiveness. Hong et al. (2002) found that brand is an important reference when consumers make purchase decisions. Brand image also serves as a vital symbol representing commodities. Francis et al. (2002) found that in the process of purchasing products, if consumers lack relevant information, brand is used to evaluate quality. Thus, brand image is considered a vital concept in marketing. However, a generally accepted measurement standard has yet to be developed (Dobni and Zinkhan, 1990). Dobni and Zinkhan (1990) found that previous research had generally defined brand image in terms of four aspects: comprehensive definition, symbolic definition, brand personality and cognitive psychology. Newman (1957) argued that brand image is the cognition of a certain brand reflected in consumers’ memory, while Aaker (1991) regarded brand image as a series of
associations organized by meaningful methods. Biel (1993), meanwhile, suggested that brand image is the aggregated perception of quality along with other associations regarding a certain brand as recognized by consumers. Fan and Chen (2002) argued that brand image is consumers’ overall cognition of and opinions about a brand, which can influence their purchasing and consuming behaviors.

Regarding the dimensions of brand image, Aaker (1991) suggested that three aspects should be considered in terms of measuring image association: product value, brand personality and organizational association. Using the brand association network memory model, Keller (1992) divided brand image into three association categories – attribute, interest and attitude – and further refined the association features of attribute and interest. That research identified the existence of both product-related and non-product-related attributes. Biel (1993) suggested that brand image consists of three quadratic elements: corporate image, product image and user image. There is general agreement that brand image is the most important factor influencing consumer selection. In an intercultural study, Hsieh et al. (2004) focused on car brands and identified 14 brand association attributes through free association and projection technology and further extracted four dimensions: sensibility, symbolism, utility and economic efficiency.

In conclusion, divergences remain in the research on corporate image and brand image. In some research, corporate image is seen as a constituent element of brand image (Biel, 1993), while other studies take brand image as a component of corporate image. The relationship between the two is considered a complex composition of mutual influences. When a corporation has multiple brands, brand image can be a component of corporate image, but if there is a brand image with great influence, consumers recognize that brand image as the company’s corporate image. Hsieh et al. (2004), however, equally analyzing both, viewed corporate image as consumers’ cognition of the company and brand image as consumers’ cognition of certain products. The present research, therefore, used these two dimensions as microscopic factors influencing consumer brand attitude. Corporate image is defined here as consumers’ level of cognition of a certain corporation (Shimp and Bearden, 1982), and brand image is defined as the aggregate of consumers’ faith in a certain brand; the two are analyzed on an equal basis.

3. Research model and hypotheses

This research took brand attitude as a mediator among country image, corporate image and brand image to establish a structural model (Figure 1). Papadopoulos (2000) found that country image had a significant effect on marketing campaigns and other aspects. Laroche et al. (2005) found that when the emotional dimension is greater than the cognitive dimension, country image has a stronger impact on product evaluation than product faith. Wang and Zhao (2004) found that country image had a significant effect on consumer brand faith and brand purchase intention. Han (1989), moreover, suggested that when a consumer is not familiar with a country’s products, country image can have a halo effect on consumer decisions. Consequently, country image can influence product faith and, in turn, influence consumer attitudes. However, while consumers are familiar with a product, country image influences consumer brand attitudes directly through an omnidirectional effect. The above considerations lead to the following hypothesis:

**H1.** Country image has a significant positive effect on brand attitude.

Rita (2007) found that corporate image had a significant positive effect on consumer loyalty through consumer satisfaction. Therefore, corporations are expected to provide information on relevant brands to meet the needs of consumption. Corporate image remains different as a result of varied product and consumer features. In addition, corporate image has a significant direct or indirect effect on brand selection and purchase. Focusing on Chinese
Mobile phone consumers, Jin and Park (2008) found that corporate image affected consumer brand selection and purchasing. Therefore, the second hypothesis is as follows:

**H2.** Corporate image has a significant positive effect on brand attitude.

D’Astous and Ahmed (1999) proposed that brand image can offset the negative influence of national image. Studying toothpaste, Fan and Chen (2002) found that brand image had a significant effect on brand attitude. Adopting Fishbein’s behavior model of country-image effect, Li _et al._ (2008) found that consumer evaluation of a brand influenced brand attitude and purchase intention among Chinese consumers. Guan and Dong (2008), moreover, found that brand image had a significant positive effect on consumer satisfaction. Therefore, the third hypothesis is as follows:

**H3.** Brand image has a significant positive effect on brand attitude.

The halo effect is a psychological pattern where the overall features of an object are inferred from a single feature. A halo effect exists in the relationship between corporate image and country image, where consumers have a positive image of a country, which leads to a positive image of a company and its products. Lee and Lee (2006) analyzed the relationship between country image and corporate image in relation to international competitiveness. Corporate competitiveness is constrained by limited resources and the system of a country, and country competitiveness strongly affects corporate competitiveness. Thus, the following hypothesis is proposed:

**H4.** Country image has a significant positive effect on corporate image.

A corporation is the backing of a brand, and consumer association with a corporation is an important factor influencing brand (Aaker, 1992, 1996). Keller (1992) found that an impressive corporate image benefits brand expansion while also enhancing existing consumer brand image. Corporate image is the most important factor influencing brand association (Pappu _et al._, 2005). Therefore, the following hypothesis is proposed:

**H5.** Corporate image has a significant positive effect on brand association.
Examining the effect of country image on product evaluation and purchase decision, Chen (2001) found that country image had no significant direct effect on consumer purchase decision, regardless of product involvement level. However, it indirectly influenced consumer purchase decision through consumer brand attitude. Wang and Zhao (2004) found that consumer brand faith and attitude had a significant effect on brand purchase intention. Li et al. (2008) identified a direct relationship between brand attitude and purchase intention. Brand attitude is therefore an important variable directly influencing purchase intention, leading to the following hypothesis:

H6. Brand attitude has a significant positive effect on purchase intention.

4. Method

4.1 Sampling and data collection
This study aimed to analyze the influence of country image, corporate image, and brand image on consumer brand evaluation (brand attitude and purchase intention). South Korea was selected as the research object. South Korea neighbors China and frequently trades with it, having eclipsed Japan in the number of Chinese imports. China, moreover, is South Korea’s number-one trade partner in both imports and exports. South Korea, meanwhile, is China’s third-largest trading partner and fourth-largest source of direct investment. South Korea is highly dependent on imports. In recent years, along with improvements in Chinese product quality, South Korea has raised the volume of commodities imported from China. Products made in China flood into several business areas of South Korea. According to statistics from the Bank of Korea, among imported goods, the percentage of Chinese goods has risen gradually, including 80 percent of clothing imports, 42 percent of household electronic appliance imports, 29 percent of processed food imports, 40 percent of fish imports, and 30 percent of iron and steel imports. In some restaurants, much of the kimchi even comes from China (Bank of Korea, 2008). Chinese products are sold in South Korean markets, and South Korean consumers are very familiar with China and its products. Thus, it is not difficult for South Korean consumers to evaluate the country image of China.

In recent years, well-known Chinese companies such as Lenovo and Haier have challenged South Korean brands. Haier was selected as the research object since it is China’s most famous household electronic appliance producer and has had an office in South Korea since 2003. Haier’s products are found in more than 40 malls in South Korea, and the company has established a large consumer base in the country. Indeed, Haier ranked first in a survey comparing brand recognition in Korea. Since Haier’s washing machine products are relatively more well-known in South Korea, this research selected washing machine products as the object. Sales of Haier’s mini-washing machines have reached second place in South Korea’s washing machine market.

Data were collected from citizens in three major Korean cities: Seoul, Busan and Daejeon. Ten undergraduates were trained to collect data in the three locations using the method of street intercept interviews. A total of 600 questionnaires were administered (200 in each city). The researchers then reviewed them and eliminated those with important items omitted or obvious logical errors. Finally, 537 valid questionnaires were obtained, for a recovery rate of 89.5 percent.

A total of 254 of the respondents were male, and 233 were female. In addition, 85.1 percent were 19–49 years old, presenting a normal distribution and indicating the age groups were reasonable. In terms of occupation, respondents were uniformly distributed among company employees, government officials, self-employed workers, homemakers and so on. Regarding education level, 10.7, 46 and 22 percent of respondents had graduated from high school, college/university or graduate school, respectively, showing a reasonable distribution of education. Therefore, the respondents could be considered representative of South Korean consumers.
4.2 Questionnaire design and measurement scales

The questionnaire was composed of four parts. The first part had questions related to China, including the use of Chinese products and familiarity with and use of the brand selected in this research. The second part aimed to measure respondents’ evaluations of country image, corporate image and brand image related to the product. The third part focused on attitudes toward the brand and purchase intention. Finally, the last part included demographic questions related to gender, age, education level and monthly income.

The measurement scales were based on those found to be reliable and valid in the literature. The four constructs of country image, economic image, political image and country relationship image were based on Parameswaran and Yapak (1987), Laroche et al. (2005), Parameswaran and Pisharodi (2002) and Li et al. (2008). Three items were adopted to measure people image according to Parameswaran and Yapak (1987) and Shin and Kim (2007). As for corporate image, six items were adopted based on Jin and Park (2008). Furthermore, six items were used to measure brand image, referring to Aaker (1996), Keller (1992) and Jin and Park (2008). Finally, brand attitude was measured based on Jeon et al. (2008), and purchase intention was measured based on Ajzen and Fishbein (1980).

To ensure measurement quality, this research revised and adjusted the Korean expressions of each item appropriately, in line with the features of country image and brand features of China. In addition, 50 students majoring in marketing at a Korean university participated in a pretest. The expressions of several items were subsequently changed, resulting in the identification of the final items. Five-point Likert scales were used to measure respondents’ attitudes (1 = strongly disagree, 3 = neutral, 5 = strongly agree).

5. Data analysis and results

5.1 Reliability and validity

The reliability and validity of the variables were tested to ensure model validity. SPSS was used to conduct exploratory factor analysis, and each scale was subjected to principal component factor analysis using varimax rotation. In total, 30 items were aggregated into 8 valid factors with eigenvalues greater than 1, 5 of which were eliminated due to cross-loading and factor loadings lower than 0.40. As a result, the 30 items that were originally used to measure the 8 variables were purified and processed into 25 items.

Subsequently, the reliability and validity of the constructs of the 25-item measurement model were evaluated. The reliability of the individual items was tested by checking internal consistency, measured by reliability coefficients in terms of Cronbach’s $\alpha$. Table I shows the Cronbach’s $\alpha$ values for the constructs, which were all greater than 0.7 ($\alpha \geq 0.767$), indicating acceptable reliability. Therefore, the data obtained from the questionnaire were reliable.

To test whether economic image, political image, people image and relationship image belonged to the second-order confirmatory factor analysis (CFA) of China’s country image, these four variables were used as the second-order CFA of country image in the validity test based on AMOS 7.0. Maximum likelihood estimation was used to test the measurement model. Table I shows that the results exhibited good levels of fit: $\chi^2 = 814.246$ (df = 261, $p = 0.000$; $\chi^2$/df = 3.120), GFI = 0.893, AGFI = 0.866, CFI = 0.922, IFI = 0.922, RMR = 0.043 and RMSEA = 0.063. The measurement model thus showed an acceptable fit to the data. The factor loading of each item on its measured latent variable was highly significant ($t \geq 12.614$). The smallest average variance extracted (AVE) corresponding to each measured variable exceeded 0.5 (Table I), demonstrating adequate convergent validity. These results fully validate the convergence validity of the measurements.

Next, correlation analysis was conducted to test discriminant validity. The correlation coefficient between each latent variable was between 0.028 and 0.562, and the confidence interval (i.e. $\varphi \pm 2SE$) of the correlation coefficient ($\varphi$) did not contain 1.0. Hence, discriminant validity was confirmed. Meanwhile, the highest mean value was found for “economic image”
and the lowest was “brand image” \((M = 2.584)\). This indicates that with China’s reform and opening up, foreign consumers have an improved view of China’s overall economic image, but the perception of Chinese brand image is still at a low level (Table II).

5.2 Hypothesis testing

The hypothesized links between the constructs were examined using structural equation modeling. The overall model showed a good fit, as demonstrated by the results for the model fit indices \((\chi^2 = 826.920, \chi^2/df = 3.120, \text{GFI} = 0.891, \text{AGFI} = 0.866, \text{CFI} = 0.920, \text{IFI} = 0.921, \text{RMR} = 0.046 \text{ and RMSEA} = 0.063)\). Therefore, there was a good fit between the measurement

<table>
<thead>
<tr>
<th>Component</th>
<th>Measurement item</th>
<th>Factor loading</th>
<th>t-value</th>
<th>Cronbach’s (\alpha)</th>
<th>AVE</th>
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<td>Economic development</td>
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<td>World economic influence</td>
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<td>Political image</td>
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<td>Politic stability</td>
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<td>Education level</td>
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<td>People image</td>
<td>Polite and kind</td>
<td>0.776</td>
<td>16.795</td>
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<td>Relationship image</td>
<td>Corporate country</td>
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<td>15.739</td>
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<td>Corporate image</td>
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<td>Like the brand</td>
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<td>Brand attitude</td>
<td>Perceived as a famous brand</td>
<td>0.907</td>
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<td>Future purchase</td>
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<td>Purchase intention</td>
<td>Recommend to others</td>
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<td>Purchase intention</td>
<td>Priority</td>
<td>0.759</td>
<td>18.722</td>
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(M = 3.633), and the lowest was “brand image” \((M = 2.584)\). This indicates that with China’s reform and opening up, foreign consumers have an improved view of China’s overall economic image, but the perception of Chinese brand image is still at a low level (Table II).

5.2 Hypothesis testing

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<table>
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<th>Variable</th>
<th>1</th>
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<tr>
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<tr>
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<td>0.300</td>
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<tr>
<td>Relationship image</td>
<td>0.283</td>
<td>0.227</td>
<td>0.540</td>
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<tr>
<td>Brand image</td>
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<tr>
<td>Corporate image</td>
<td>0.211</td>
<td>0.191</td>
<td>0.245</td>
<td>0.195</td>
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<tr>
<td>Brand attitude</td>
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<td>0.230</td>
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5.2 Hypothesis testing

The hypothesized links between the constructs were examined using structural equation modeling. The overall model showed a good fit, as demonstrated by the results for the model fit indices \((\chi^2 = 826.920, \chi^2/df = 3.120, \text{GFI} = 0.891, \text{AGFI} = 0.866, \text{CFI} = 0.920, \text{IFI} = 0.921, \text{RMR} = 0.046 \text{ and RMSEA} = 0.063)\). Therefore, there was a good fit between the measurement

<table>
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</tbody>
</table>
model and the observed data. For the next step, the individual paths of the model were evaluated.

As shown in Table III, country image, corporate image and brand image had significant and positive effects on brand attitude. Meanwhile, through brand attitude, country image also had a positive effect on consumer purchase intention. In addition, country image had a positive effect on corporate image, and corporate image had a positive effect on brand image. Thus, \( H1-H6 \) were all supported.

### 5.3 Mediating effects and final model

In the model, through brand attitude, country image, corporate image and brand image indirectly had significant and positive effects on purchase intention, and country image indirectly had a positive effect on brand image through corporate image. To analyze whether these independent variables directly had significant effects on the dependent variables, further model comparisons were conducted. As shown in Table IV, based on competing Model 1, competing Model 2 was constituted by supposing that country image had both an indirect and direct effect on purchase intention. For the next step, the same processes were conducted to build competing Models 3–5.

Comparing the goodness-of-fit indices and \( \chi^2 \) changes in the four post-competing models with competing Model 1, Models 2 and 5 were found to have 1 degree of freedom (df) reduced. The model fit was not significantly different from that of competing Model 1 (Model 2: \( \Delta \chi^2 = 1.611, \Delta \text{df} = 1, p > 0.05 \); Model 5: \( \Delta \chi^2 = 1.429, \Delta \text{df} = 1, p > 0.05 \)), indicating that the goodness-of-fit of research model had not improved significantly. Models 3 and 4 were reduced by 1 df, and the goodness-of-fit of the research model improved significantly at the 0.05 level (Model 3: \( \Delta \chi^2 = 7.503, \Delta \text{df} = 1, p < 0.05 \); Model 4: \( \Delta \chi^2 = 5.162, \Delta \text{df} = 1, p < 0.05 \)). These results show that both corporate image and brand image had positive and

<table>
<thead>
<tr>
<th>Proposed model paths</th>
<th>Non-standardized coefficient</th>
<th>Standardized coefficient</th>
<th>t-value</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>( H1 ): country image → brand attitude</td>
<td>0.630</td>
<td>0.175</td>
<td>2.952**</td>
<td>Supported</td>
</tr>
<tr>
<td>( H2 ): corporate image → brand attitude</td>
<td>0.231</td>
<td>0.169</td>
<td>3.098**</td>
<td>Supported</td>
</tr>
<tr>
<td>( H3 ): brand image → brand attitude</td>
<td>0.208</td>
<td>0.197</td>
<td>4.211***</td>
<td>Supported</td>
</tr>
<tr>
<td>( H4 ): country image → corporate image</td>
<td>0.875</td>
<td>0.333</td>
<td>4.604***</td>
<td>Supported</td>
</tr>
<tr>
<td>( H5 ): corporate image → brand image</td>
<td>0.232</td>
<td>0.179</td>
<td>3.479***</td>
<td>Supported</td>
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<tr>
<td>( H6 ): brand attitude → purchase intention</td>
<td>0.510</td>
<td>0.647</td>
<td>13.712***</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Notes: ** \( p < 0.01 \); *** \( p < 0.001 \)

<table>
<thead>
<tr>
<th>Model</th>
<th>( \chi^2 )</th>
<th>df</th>
<th>GFI</th>
<th>AGFI</th>
<th>RMR</th>
<th>( \Delta \chi^2 )</th>
<th>( \Delta \text{df} )</th>
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<tr>
<td>Competing Model 1</td>
<td>826.920</td>
<td>265</td>
<td>0.891</td>
<td>0.866</td>
<td>0.046</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Competing Model 2 (country image-purchase intention)</td>
<td>825.309</td>
<td>264</td>
<td>0.891</td>
<td>0.866</td>
<td>0.046</td>
<td>1.611</td>
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<tr>
<td>Competing Model 3 (corporate image-purchase intention)</td>
<td>819.417</td>
<td>264</td>
<td>0.892</td>
<td>0.868</td>
<td>0.045</td>
<td>7.503</td>
<td>1</td>
</tr>
<tr>
<td>Competing Model 4 (brand image-purchase intention)</td>
<td>821.758</td>
<td>264</td>
<td>0.891</td>
<td>0.866</td>
<td>0.045</td>
<td>5.162</td>
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<tr>
<td>Competing Model 5 (country image-brand image)</td>
<td>825.491</td>
<td>264</td>
<td>0.891</td>
<td>0.866</td>
<td>0.045</td>
<td>1.429</td>
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<tr>
<td>Final model</td>
<td>815.732</td>
<td>263</td>
<td>0.893</td>
<td>0.867</td>
<td>0.045</td>
<td>11.188</td>
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</tr>
</tbody>
</table>

Note: \( \Delta \chi^2 \) and \( \Delta \text{df} \) are the differences between each model and competing Model 1.

Table III. Testing \( H1-H6 \) and path coefficients

Table IV. Model modification and mediating effect
significant effects on purchase intention, and the mediating effect of the research model was proven. As shown in Figure 2, two direct paths were added to competing Model 1 to form the final model.

6. Conclusion
6.1 Theoretical contributions
To enrich research on country image, this study investigated the influencing mechanisms of consumer brand selection based on country image factors, including country, corporate and brand image, from the perspectives of South Korean consumers. As one of the few empirical studies of China’s country image, this research clarifies how the component factors of China’s country image influence consumers’ brand attitudes and purchase intentions, further identifying the relations among country image, corporate image, brand image and consumer brand-selection behavior. This study not only empirically supported country-image theories proposed by international researchers, but also attempted a theoretical innovation based on China’s country image. According to various theories, country image derives from economic image, political image, citizen image and relationship image. This study also aimed to analyze how China’s country image, composed of these four factors, influenced brand selection from the consumer perspective. This can help improve the operability of the country-image concept in research and in practice, making it easier for researchers to quantitatively measure the component factors of country image.

This study also investigated the mediating effect of corporate image and brand image on China’s country image and consumer purchase selection from a micro perspective. Corporations can create an attractive image based on these three image dimensions, which can affect consumer behavior. Though limited in promotion and application by confining itself to a specific case, the established model can be applied across various industries.

Notes: Goodness-of-fit indices of the final model: $\chi^2=815.732$, df=263, $\chi^2$/df=3.102, GIF=0.893, CFI=0.922, AGFI=0.867, RMR=0.045, PGFI=0.722, IFI=0.922, TLI=0.922 and RMSEA=0.063. Standardized coefficients, *$p<0.05$; **$p<0.01$; ***$p<0.001$
products and brands. In previous studies, when evaluating a country’s competitiveness, the figures were often measured afterward according to statistics, including exports and market share. The antecedent measurement method used in this research represents a new attempt to analyze international competitiveness in terms of symbolic factors.

6.2 Management implications

This study’s findings can not only provide a reference for managers when developing international marketing strategies but also offer suggestions for raising the international competitiveness of Chinese products. First, this study demonstrated the significance of country image in international corporate campaigns, which has important implications for Chinese corporations entering the international market. Macroscopically, country image can affect consumer brand attitude and purchase intention (Han, 1989; Li et al., 2008). Therefore, corporations should consider not only intrinsic aspects, such as cost and price, when entering the international market, but also extrinsic aspects such as country image, given their halo effect on products. Moreover, Chinese companies need to understand foreign consumers’ perceptions of China. If foreign consumers have a good image of China, then the country-of-origin should be emphasized to enhance attitudes toward Chinese products and purchase intentions. Otherwise, the country-of-origin should not be emphasized, and detailed product information should be provided to reduce the influence of country image on consumer brand selection. In terms of government, country image is a significant intangible equity. Therefore, it is important to establish a marketing strategy for country brand, which can fundamentally enhance corporate image. For example, to recover country brand image, the South Korean Government provided considerable support to companies such as Samsung and Hyundai, helping them to rapidly grow into massive corporations and to effectively compete with Japanese companies. As such, China should also seek to facilitate the rapid growth of prominent domestic corporations. As with the successful hosting of the 2008 Olympic Games, the upcoming World Expo is expected to further improve China’s country image. The Chinese Government should therefore seize the opportunity to support corporations with promising futures and help propel them into the international market. Those that make great progress in the international market should be specifically supported or even rewarded. If Chinese products are to break into the high-end markets of developed countries, the perception that “made in China” means poor quality must be altered.

In the microscopic aspect, corporations can influence consumers’ brand attitudes and purchase intentions by establishing positive corporate and brand images that create positive product associations. Enhancing corporate social responsibility will improve consumers’ recognition of and trust in brand images. This requires corporations to adopt strategies that go beyond simple promotion campaigns to create an outstanding corporate image. Unfortunately, most Chinese corporations remain at low levels of recognition and do not have a good grasp of creating, maintaining and enhancing their corporate image. This research showed that corporate image can not only directly influence consumer brand attitude and purchase intention but also indirectly influence purchase intention by affecting brand attitude. These findings demonstrate that a good corporate image can improve consumer brand attitude, enhance brand association and affect purchase intention. Thus, corporations can adopt social responsibility as a part of brand equity investment, especially by actively taking part in local activities as a foreign corporation. Using social responsibility to target consumers can help to emphasize the reliability of the corporate image.

Establishing brand image can not only influence consumers’ brand attitudes and purchase intentions, but also help them understand what the brand can do for them and how the corporation can benefit them. This finding contributes to helping consumers perceive the corporate image and country image of the related products. Consumers can more easily remember relevant brand images than product attributes. Therefore, marketing
managers should build suitable marketing strategies based on brand image. For instance, a brand image that reflects product attributes should be promoted, transmitting the quality and value of the brand to consumers, thereby building a competitive edge based on a unique and impressive brand image.

Furthermore, the research demonstrated that country image can influence not only corporate image, but also brand image through corporate image. According to the results, corporate image, brand image and country image are interdependent. Country image is based on corporate image and brand image. A positive country image works as a platform for the mass development of corporations; it is therefore essential to promote an outstanding country image. Today, however, there are still negative perceptions of Chinese products, which further influence China’s country image. As such, Chinese corporations aiming to operate internationally must face ongoing distrust of Chinese products among foreign consumers. This should compel us to conduct a country branding strategy that includes innovating the country image, accumulating country brand equity and showing the world a positive image of China as a global economic power and major manufacturing country through advertisements, media and exhibitions.

6.3 Limitations and future research
This study has a number of limitations. First, the sample was limited to South Korean consumers; thus, representativeness remains to be improved. For generalizability, the framework should be tested in different regions, considering cultural differences between East and West. Second, only Haier and its products were incorporated into the research. Whether the same effects would be observed for other brands and products remains to be explored. Therefore, further research should be undertaken with brands and products categorized according to product involvement level. Finally, other dependent variables that might influence consumer brand attitudes and purchase intentions were not controlled, which could have influenced the effect and stability of the results. Therefore, variables such as national proximity level, price and others should be considered and controlled in future studies. This research is a preliminary exploration of a complex problem, which means more research should be conducted on the basis of this study to determine how country image influences consumers.

References
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Chen, J.L. (2001), The Influence of Country Image on Product Evaluation and Purchase Decision, Institute of Business Administration, Ming Chuan University, Taipei.


**Further reading**


**Corresponding author**

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