

The Impact of Open Co-creation Strategies on Consumer Acceptance in Host Countries

Weihong Zhao ^a, Hanfang Yao ^b

School of Jiangxi Normal University, Nanchang 330022, China.

^azwh4005@sina.com, ^b749154475@qq.com

Abstract. Regional open co-creation is an important attribute of the region, and it is essential for the host country consumers to judge whether or not to accept the foreign brand. Consumers in the host country participate in co-creation to meet their practical functional needs, and help the brand to obtain practical and rationality, to meet the interests of the various stakeholders of the brand, and to help the brand truly enter the heart of the host consumers to receive their support and support. This study finds that regional openness and co-creation is conducive to the internationalization of regional brands. The specific strategies are divided into two categories, namely, creating value through consumer and regional brand interaction and creating value through interaction between consumers and consumers.

Keywords: Regional brand internationalization; Regional openness; Brand trust; Practical legitimacy; Consumer acceptance.

1. Introduction

According to the 2017 China Manufacturing Network Industry Report, among the more than 500 major industrial products, China has 220 products in the world, but the world's top 500 companies only rank 37. In the context of economic globalization, the establishment of outstanding regional brands is more important than ever before for the development of a city, region and country (Kavaratzis et al., 2013). Therefore, both the theoretical and practical circles are constantly exploring what factors will lead to the success of regional brand internationalization. Despite this, among the many regional brands in the world, only a small number of well-known brands (Francisco et al., 2018).

To truly go global, Chinese brands must be accepted by consumers in the host country, such as willingness to purchase, willingness to recommend, etc. (Wang Tao, 2013). The brand internationalization compliance strategy can help brands gain acceptance from host country consumers, placing the brand within the host country's existing institutional system, and attaching it to its cultural order rather than challenging established institutional logic (Meyer et al., 1991). The brand's compliance strategy involves responding to the interests of various stakeholders to meet its practical functional needs, namely, to obtain practical rationality (Suchman, 1995). Firat et al. (1995) argue that the post-modern era is characterized by the reversal of production and consumption: consumers are taking the privileged position of former producers and striving for production. They are no longer just passive consumers at the end of the supply chain, but gradually infiltrate their power into the design and production of products and services, pursuing individualized products and services that meet their own needs. Therefore, attracting host country consumers to participate in co-creation will enhance the trust of the brand's products and services (Wu Wenzhen et al., 2012), which has a very important impact on meeting the functional needs of host consumers and obtaining consumer acceptance in host countries. So, what are the specific regional open-minded strategies? How to measure? How to obtain acceptance and support from host consumers through regional open co-creation strategies? What is the mechanism of the regional open co-creation strategy?

2. Literature Review

2.1 Open co-creation

The essence of co-creation is value co-creation, value co-creation is a new value creation model, which refers to the cooperation between consumers and producers to create value. The traditional

view is that producers are the only value creators, while consumers are pure value consumers. But according to the value creation theory, producers are no longer the only value creators, consumers are no longer pure value consumers, but value co-creators interacting with producers. The academic community has two branches on the study of “value creation”. One is Prahad and Ramaswamy (2000), the value creation theory based on consumer experience from the perspective of enterprise competition and strategic management, and the other is Vargo and Lusch (2004). The proposed value creation theory based on service-led logic.

Prahad and Ramaswamy (2000) believe that the value of a product or the value of a service is not only created by the manufacturer or supplier, but by the customer. The basic ideas of Prahad and Ramaswamy (2000, 2004) about value co-creation can be summarized as two points. First, co-creating the consumer experience is the core of the value creation between consumers and enterprises. Second, the interaction between members of the value network is the basic realization of value creation. They put forward the idea that “interaction is an important way for enterprises and consumers to create value together, creating a heterogeneous interaction between consumers and enterprises”. Vargo and Lusch (2004) proposed the value co-creation theory based on service-led logic, and published new insights on issues related to value creation, which has extensive influence in the current international academic community (Si Wenfeng, 2018). “Service is the fundamental foundation of all economic exchanges” is the core idea of service-led logic. “Services” are defined as the use of specialized capabilities (knowledge and skills) by actions, processes and behavioral performances for the benefit of themselves or other entities. Process (Vargo & Lusch, 2004). The difference between these two values of co-creation theory is mainly reflected in the two aspects of research perspective and value creation.

2.2 Host Country Consumers Acceptance

Marketing believes that acceptance is the recognition and acceptance of the rationality of the consumer from the brand (Starr & MacMillan, 1990; Meyer & Scott, 1992). The field of management believes that acceptance involves a process of responding, understanding, and internalizing the legitimacy and rationality of an organization or business (DiMaggio & Walter, 1983; Suchman, 1995). As a result of the accepted behavior, Fishbein and Ajzen (1975) argue that whether a consumer takes a specific action on an object is determined by the will of the person taking the action. Therefore, to predict consumer behavior, it is necessary to understand the wishes of consumers. According to Fishbein and Ajzgn, willingness is a specific way of determining action. Eagly and Chaiken (1993) also point out that will is a psychological concept that differs from attitudes and represents the personal motivation of consumers in conscious plans to work hard to implement an action. In other studies, researchers either define willingness as the likelihood that a person will perform an act, or as an estimate of an act to be implemented in the future. There are many kinds of consumer wishes, the most important of which is the willingness to purchase, which is defined as follows: the willingness to purchase is the subjective probability or possibility of the consumer to buy a particular product or brand, and can largely be purchased by the consumer. Behavioral predictions (Benito & Partal, 2012; Fu & Elliott, 2013; Horváth & Birgelen, 2015). Therefore, the project believes that the willingness to purchase can better reflect the attitudes and behaviors accepted by consumers in the host country.

3. Research Framework

Based on the theory of practical rationality, this paper develops a conceptual model of regional open-minded strategies accepted by host consumers on the basis of literature research (as shown in Figure 1).

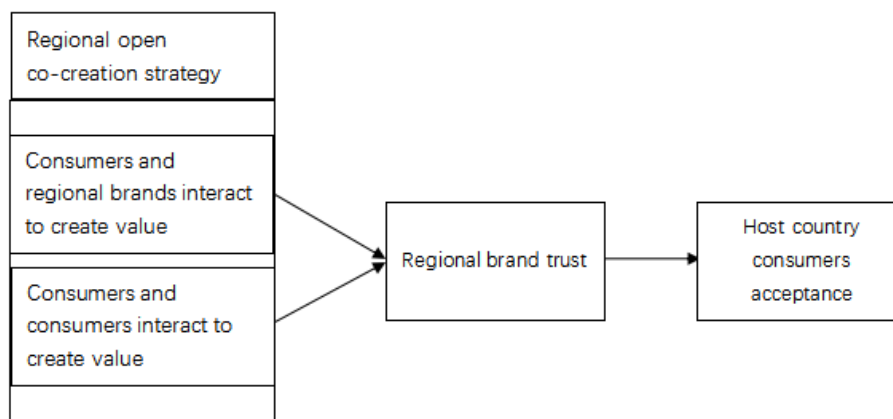


Figure 1 conceptual model

This paper explores the content of regional open co-creation strategy based on the practical rationality dimension. Based on the existing literature, based on the rationalization strategy of obedience, manipulation and prominence, this study initially proposes that the essence of the regional open co-creation strategy is compliance. Obedience puts the brand within the existing institutional system of the host country and attaches it to its cultural order rather than challenging the established institutional logic. In the brand's compliance strategy, it involves responding to the interests of various stakeholders to meet its practical functional needs, and ultimately obtain practical rationality.

In the internationalization of brands, regional brands must be trusted if they are accepted by consumers in the host country. Wang, Li, and Wei (2010) and Chen and Chang, (2012) found and confirmed that the perception of the rationality of the brand by the host country consumers does enhance their confidence in the product or brand and generate trust. Trust plays a role in reducing social uncertainty in the transaction process and plays a decisive role in consumer behavior such as purchasing (Hoffman, 1996; Howard, 1989; Jin Yufang, 2006). And studies have confirmed that trust beliefs generate trust intentions (propensity) and thus promote trust behavior (Mcknight et al, 2002). Therefore, we infer that consumers trust regional brands, which means that there are enough reasons to believe that the other party's behavior is honest, trustworthy, reasonable and legitimate, and form a positive willingness to purchase (Gefen et al, 2003; Pavlou, 2003; Kuan & Boek, 2007; Kim et al. 2004; Wang & Benbasat 2005).

4. Summary

From the perspective of marketing practice of regional brand internationalization, this research can enable regional brands to correctly understand the relationship between brands and host consumers in the context of economic globalization, and help regional brands to understand host consumers more deeply through the development of regional open-minded strategies. Practical functional requirements to achieve practical rationality; by studying the impact of open-minded strategies in regional brand internationalization on consumer acceptance in host countries, this study can provide regional brands with access to marketing strategies accepted by host consumers, thereby improving Host country consumers accept and support regional brands.

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