

Place Open-up Co-creation Strategy, Brand Trust and Host Country Consumer Acceptance

-- Practical Legitimacy Perspective

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Abstract. The internationalization of place brands has become a powerful weapon for cities, regions and countries to cope with global competition. Based on the perspective of practical legitimacy, this paper uses empirical analysis method to explore the composition dimension of open-up co-creation strategy in place brand internationalization and its influence mechanism on consumer acceptance in host countries. The results show that the place open-up co-creation strategy consists of three dimensions: place communication strategy, place reputation strategy and place quality strategy. At the same time, the place open-up co-creation strategy can promote the place brand to gain the trust of the host country consumers, and then gain their acceptance.

Keywords: Place Brand Internationalization; Open-up Co-creation; Practical Legitimacy; Place Brand Trust; Host Country Consumer Acceptance.

1. Introduction

In the context of economic globalization, the establishment of outstanding place brands is more important than ever for the development of a city, region and country (Kavaratzis et al., 2013) [1]. Competition among regions becomes increasingly fierce due to the unbalanced distribution of resources, and regions can win the competition by relying on the guiding ability of strong brands (RahbarandWahid,2011) [2]. The implementation of branding strategy for a city, region or even country to enhance place competitiveness is the core method to cope with global competition and promote place economic development (Braun et al., 2014; Kemp et al., 2012; Pike and Bianchi, 2013) [3,4,5]. For example, the world film "Dreamworks" Hollywood, the porcelain city Jingdezhen, the shopping paradise Hong Kong, the small commodity kingdom Yiwu and so on, these famous place brands have full advantages in the global market competition, and have driven the rapid growth of local economy.

To get a position on the international market, Chinese brands must be accepted by consumers in the host country, such as purchase intention and recommendation intention (Wang Tao, 2012) [6]. The compliance strategy of brand internationalization can help the brand gain the acceptance of consumers in the host country, that is, the brand is placed within the existing institutional system of the host country and attached to its original order instead of challenging the established institutional logic (Meyer et al., 1991) [7]. The compliance strategy of brands involves responding to various stakeholder interests so as to meet practical functional needs, namely obtaining practical legitimacy (Suchman, 1995) [8]. Firat et al. (1995) argued that the post-modern era is characterized by the reversal of production and consumption: consumers are seizing the privileged position formerly belonging to producers and striving for a role in production [9]. They are no longer just passive at the end of the supply chain, but are gradually penetrating their power into the design and production links of products and services, pursuing personalized products and services in line with their own demand characteristics. Therefore, attracting consumers to participate in value co-creation will enhance their trust in the brand products and services (Wu Wenzhen et al., 2012) [10], and also have an important impact on meeting consumers' practical functional needs and obtaining the acceptance of consumers in host countries. For place brands, the implementation of open-up co-creation strategy will help external markets to better understand and participate in the economic development of a region, so as to gain recognition and acceptance.

2. Theoretical Background and Research Hypothesis

2.1 The Concept of Open-up Co-creation

Open-up means releasing and lifting restrictions. Co-creation was first coined as a marketing strategy to encourage customers to participate in the joint design, development, and production of a business. The connotation of open-up co-creation is to create value with an open-up attitude. Value co-creation is a new mode of value creation, which means that consumers and producers cooperate to jointly create value (Li Zhaohui, 2013) [11]. According to the theory of value co-creation, producers are no longer the only value creators, and consumers are no longer merely value consumers, but value co-creators interacting with producers. At present, researches on "value co-creation" mainly have two branches. One is the value co-creation theory based on consumer experience proposed by Prahalad and Ramaswamy (2000) [12] from the perspective of enterprise competition and strategic management. The other is the value co-creation theory based on service-oriented logic proposed by Vargo and Lusch (2006) [13]. The value co-creation theory based on consumer experience can be summarized in two aspects: 1. The core of value co-creation is that consumers and enterprises jointly create consumption experience; 2. The basic way to realize value co-creation is the interaction among network members. The value co-creation theory of service-oriented logic holds that service is the fundamental basis of all economic exchanges, and "service" is defined as the process in which entities use specialized capabilities (knowledge and skills) for the benefit of themselves or other entities. The differences between these two theories of value co-creation are mainly reflected in the research perspectives and the connotation of value co-creation. Based on the analysis and collation of existing relevant literature, this study defines "open-up co-creation" as the dialogue and cooperation between place brands and consumers in the process of value creation in product or service design, production and consumption with an open-up attitude, and its essence is value co-creation.

2.2 The Concept of Place Brand Trust

Most research on trust in marketing focuses on the transaction process. Morgan and Hunt (1994) [14] believe that trust is one party's confidence in the reliability and sincerity of the other party in the exchange process. Doney and Cannon (1997) [15] argue that the concept of trust must be associated with an uncertain environment, and there can be no trust without the existence of risk. Rousseau (1998) [16] summarized the common points of the above definitions based on previous studies, and proposed that trust is a psychological state in which one party is prepared to accept harm based on the positive expectation of the other party's behavior and intention. Chaudhuri and Holbrook (2001) [17] believe that brand trust refers to consumers' trust when they expect a certain brand to bring them good results, and their willingness to trust the brand to have consumers' expectation ability. Elena (2003) [18] believes that brand trust refers to consumers' confidence in the reliability and behavioral intention of a brand when they may be harmed. Here, it is emphasized that risk is the key premise for the generation of trust, and the specific manifestation of brand trust is consumers' confidence in the brand. Jin Yufang (2005) [19] believes that brand trust refers to consumers' positive belief in a certain brand among many brands, including brand competence, brand honesty and kindness, and overall brand trust. Based on the review of the above literature, this study believes that place brand trust refers to the degree of trust of the brand of an enterprise, industry or industry in a certain economic region in its relevant economic environment.

2.3 The Concept of Consumer Acceptance in the Host Country

Acceptance in the field of marketing refers to the reasonable recognition and acceptance attitude of consumers from the brand. From the perspective of management, acceptance includes the process of reaction, understanding and internalization of the legitimacy and legitimacy of an organization or enterprise (DiMaggio et al., 1983) [20]. As for the result of acceptance behavior, Fishbein et al believe that whether consumers take a specific action towards an object is determined by the will of the person who takes the action. Therefore, in order to predict consumer behavior, it is necessary to know the

consumer's will, and will is a specific way to determine the action. There are many kinds of consumer will, the most important of which is purchase intention (Fu&Elliott,2013) [21]. Liu Hongshen et al. (2016) [22] found in the study of Chinese brand rationalization strategy that consumer acceptance in the host country refers to some realistic reactions of consumers in the host country to the brand due to the internationalization strategy of the brand, which is specifically manifested as the purchase intention, recommendation intention and brand loyalty to the brand. Brand loyalty refers to consumers' willingness to maintain a lasting relationship with the brand through specific behaviors, such as allocating a higher share of wallet to the brand and making repeated purchases (Zeithaml, 1996) [23]. Based on the review of the above literatures, this study believes that purchase intention, recommendation intention and brand attachment can better reflect the accepted attitudes and behaviors of consumers in the host country. Purchase intention refers to the subjective probability or possibility of a consumer to buy a certain product or brand, and can predict the purchasing behavior of a consumer to a large extent (Fu&Elliott,2013) [24]. Recommendation intention refers to the possibility of consumers to actively recommend to other groups or consumers to buy products or services of this brand, which is usually manifested by positive word-of-mouth communication (Rosen Emanuel, 2000) [25]. Brand attachment refers to the unique emotional connection and co-association relationship between brands and consumers (Park, 2006) [26].

2.4 Hypothesis about Open-up co-creation and Place Brand Trust

1. The exchange legitimacy originates from the measure taken for the most direct interests expected by specific audiences, and the acquisition of the legitimacy of exchange requires place brands to meet the most direct interests of consumers (Dowling & Pfeffer, 1975) [27]. Then, through the open-up strategy of place communication, the channels of information exchange between consumers in the host country and place brands should be built to facilitate the communication between consumers in the host country and place brands. Through the place communication and dialogue strategy to realize the information exchange between place brands and consumers in the host country, to help place brands get feedback from consumers in the host country; Through place communication and cooperation strategy, place brands can select the content of information exchange for cooperative processing, so as to jointly develop products or services. Having an insight into the interests of consumers in host countries and meeting their interest needs through open-uping up with them is conducive to the legitimacy of perception exchange among consumers in host countries, thus increasing their certainty and trust in place brands both cognitively and emotionally (Zhao Weihong et al., 2016) [28]. Therefore, this study believes that place communication open-uping strategy, place communication dialogue strategy and place communication and cooperation strategy can help place brands gain the host country consumers' cognitive and emotional trust of place brands through the exchange of legitimacy.

H1: In the internationalization of place brands, place communication strategies have a positive impact on the brand trust of consumers in host countries

2. Influence legitimacy refers to the continuous commitment to the audience by reducing authoritative measures, that is, the organization is willing to take into account the oral opinions of the audience (Meyer & Rowan, 1977; Selznick, 1949) [29,30]. Through the open-up strategy of place word-of-mouth, the platform of word-of-mouth communication among consumers in host country is set up and open-uped to facilitate word-of-mouth communication among consumers in host country and expand the influence of place brands. The place word-of-mouth dialogue strategy can promote the dialogue between place brands and consumers, and actively guide the host country consumers to carry out positive word-of-mouth communication; Obtain the content of word-of-mouth communication of consumers in host country through place word-of-mouth cooperation strategy, improve the content of negative word-of-mouth, and selectively cooperate with consumers in host country. In order to realize the intentional management of host country consumers and the intentional adoption of host country consumers' oral opinions, which is conducive to the legitimacy of host country consumers' perception, so as to increase their certainty and trust in the place brand in cognition and Emotion. Therefore, this study believes that place word-of-mouth open-uping strategy, place word-of-mouth dialogue

strategy and place word-of-mouth cooperation strategy can help place brands gain host country consumers' cognitive and emotional trust of place brands by influencing legitimacy.

H2: In the internationalization of place brands, the place word-of-mouth strategy has a positive impact on the brand trust of consumers in host countries

3. Quality legitimacy comes from the sharing of values generated by the management of organizational quality, that is, organizations can have unique qualities like people, and well-organized qualities can help them restrain the unreasonable influence of failures and mistakes (Wartick & Cochran, 1984; Coleman, 1974; Horowitz, 1986; Zucker, 1983) [30,31,32,33]. Host-country consumers are more likely to trust organizations with positive qualities such as trustworthiness, decency and inclusiveness (Cyerts & March, 1963) [34]. Activities are carried out through the open-up strategy of place quality to facilitate consumers in host countries to obtain the information of place brand quality and perceive the quality of place brand. Conduct quality dialogue with consumers in the host country in some activities through the place quality dialogue strategy, so as to improve consumers' perception of place brand quality in the host country. In order to promote the place brand in the host country consumers in the heart of the formation of honest, trustworthy, decent and other positive quality of the rational perception, conducive to the host country consumers perception of quality legitimacy, so as to increase their cognitive and emotional certainty and trust in the place brand. Therefore, this study believes that place quality open-uping strategy and place quality dialogue strategy can help place brands gain the host country consumers' cognitive and emotional trust of place brands through quality legitimacy.

H3: In the internationalization of place brands, place quality strategies have a positive impact on the brand trust of consumers in host countries

2.5 Hypothesis about Place Brand Trust and Consumer Acceptance in Host Countries

Studies show that brand trust can positively affect consumers' willingness and behavior, and consumers' confidence in a brand and expectation of trustworthiness will enhance consumers' purchase intention for the brand (He Aizhong, 2010) [35]. Huo Yingbao and Han Zhijun (2004) [36] found in their research on brand trust that brand trust has a positive impact on consumers' recommended regions. Zhou Jianming et al. (2015) [37] found in the study of online word-of-mouth that brand trust has a positive impact on brand attachment, and the study of brand emotion also pointed out that brand trust can promote consumers' perception of brand quality charm, thus forming the emotional attachment to the brand (Schmitt, 1997; Su Yong et al., 2018) [38,39]. Based on the above analysis, this study believes that place brand trust will have a positive impact on the external acceptance (purchase intention, recommendation intention) and internal acceptance (brand attachment) of consumer acceptance in the host country.

H4: In the internationalization of place brands, place brand trust has a positive impact on consumer acceptance in host countries.

3. Experimental Design and Process

In order to further explore the dimensions of open-up co-creation strategy in place brand internationalization and its influence on place brand trust, as well as the influence of place brand trust on consumer acceptance in host countries, this study developed a questionnaire. The main contents of the questionnaire are divided into place communication strategy survey, place word-of-mouth strategy survey, place quality strategy survey, brand trust survey, consumer acceptance survey in the host country and the necessary information description of the survey object. In this study, a multi-item Likert 7 subscale was used to evaluate the survey objects at 7 levels from completely disagree to completely agree, so as to ensure the accuracy of the survey results.

4. Experimental Results

4.1 Research Model Test

In this part, the overall model measurement evaluation is carried out on five research constructs, namely place communication strategy, place reputation strategy, place quality strategy, place brand trust and host country consumer acceptance, and then the convergence validity and discriminant validity of each research construct are tested. The analysis results show that AVE of each component factor is greater than or equal to 0.5, indicating good convergent validity, and the correlation coefficients of each component factor in the matrix are smaller than the square root value of AVE, indicating good discriminant validity.

4.2 Conceptualize the Model Test

In this study, SPSS and Amos were used to test the conceptual model of the structural connotation of place open-up co-creation strategy in the internationalization of place brands. The analysis results show that AVE of each component factor is greater than 0.5, indicating good convergence validity, and the correlation coefficients of each component factor in the matrix are smaller than the square root value of AVE, indicating good discriminant validity.

4.3 Research Hypothesis Testing

In order to verify each component dimension of place open-up co-creation strategy in the research model (place communication strategy, place port Tablet strategy, place quality strategy) and place brand trust, host country consumer acceptance hypothesis, this research The structural equation analysis of the research model is further carried out, and the concrete results show that all the hypotheses can pass the test.

5. Conclusion

Place brand internationalization is a complex process involving many stakeholders, and its sustainable competitive advantage comes from the acquisition of legitimacy. Based on the perspective of practical legitimacy, this paper constructs and empirically tests the influence of place open-up co-creation strategy on host country consumer acceptance conceptualized model in place brand internationalization, and the influence of place brand trust between them, so as to explore the mechanism of place open-up co-creation strategy on host country consumer acceptance in place brand internationalization. Specifically, the following conclusions are drawn in this study.

First, the place open-up co-creation strategy based on practical legitimacy is a 3-dimensional structure composed of place communication strategy, place reputation strategy and place quality strategy. The place communication strategy includes place communication open-uping strategy, place communication dialogue strategy and place communication cooperation strategy; Place word-of-mouth strategy includes place word-of-mouth open-uping strategy, place word-of-mouth dialogue strategy and place word-of-mouth cooperation strategy; Place quality strategy includes place quality open-uping strategy and place quality dialogue strategy.

Second, the effect mechanism of the open-up co-creation strategy based on the practical legitimacy region on the consumer acceptance of the host country. The three dimensions of place open-up co-creation strategy have significant effects on consumer acceptance in host countries, and place brand trust plays a mediating role between place open-up co-creation strategy and consumer acceptance in host countries. Thirdly, the rationalization mechanism of practical legitimacy in place brand internationalization. The sustainable competitive advantage of place brand internationalization comes from the acquisition of legitimacy. When the place brand obtains legitimacy in the mind of consumers, it has the reason for existence. Consumers are willing to trust and accept such place brand. The place communication strategy can promote the place brand to obtain the legitimacy of exchange; The place

word-of-mouth strategy can promote the place brand to obtain the influence legitimacy; Place quality strategy can promote place brands to obtain quality legitimacy.

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