





6

PRODUCT'S COUNTRY OF ORIGIN: METHOD AND APPROACHES

AMMAR YASSIN

INTRODUCTION

Starting with our formative years and throughout our lives, we form images of countries around the world through education, friends, products and other experiences. These images of the country of origin and factors such as brand, warranty and price influence the way we think and act during product evaluation (Papadopoulos, 1993). As a reflection of the emerging importance of the country of origin phenomena, a stream of theoretical and empirical research has provided a wealth of knowledge on the direct use of COO effect, or the so-called “made-in” label. This paper discussed the literature review of product’s country of origin effects.

COUNTRY OF ORIGIN

Over the last four decades or so, the rapid growth in international trade and the development of global markets has been accompanied by a significant increase in interest towards the nature of competitiveness. Among the many factors which are believed to give impact upon international competitiveness, a country-of-origin (COO) effect has attracted growing attention. A COO representation includes any labelling, packaging, logo or advertising that makes a statement, claim or implication about which country goods come from (Australian Competition and Consumer Commission, 2003).



The earliest research in this area of COO was conducted by Schooler (1965) and he started his study on COO effect of “Product Bias” in the Central American Common Market. From his study, the differences in the evaluation of products, that were identical in all aspects except for their COO, existed. The discovery was followed by a stream of research within the field and it is still, nearly half a century later, a relevant topic where new findings are made. Country of origin research has attracted significant attention from researchers and practitioners alike around the globe (Bannister and Saunders, 1978; Erickson *et al.*, 1984; Han and Terpstra, 1988; Johansson *et al.*, 1994; Lumpkin *et al.*, 1985; Nagashima, 1970 and 1977; Papadopoulos *et al.*, 1987; Knight and Calantone, 2000). The researchers and marketers tried to extend the study on COO effect even more widely in today’s research field. COO has been studied by starting from the single cue to multiple cues, hybrid product and it is represented as stereotypes of their countries and products (Chao, 1998). In 1999, Verlegh and Steenkamp pointed out that despite a large body of research, COO effects are still poorly understood. At the same time, COO effects are recognised as being one of the most researched areas in international marketing research (Lim and Darley, 2001).

Several researchers have attempted to explain the psychological process of COO effect such as, Erickson *et al.*, (1984) belief-attitude model with image effect; Johansson *et al.*, (1985) country of origin information affects the belief-attitude relationship model; Han (1989) halo model and the summary construct models; and Obermiller and Spangenberg (1989) the cognitive, affective and normative process model. Recently, the flexible model has been done by Knight and Calantone (2000).

2.1 Country of Origin as Information Cue

Research within consumer behaviour has shown that consumers base their purchase decisions on intrinsic and extrinsic information cues

(Samiee, 1994). A cue is defined as all informational stimuli available to the consumer before consumption (Monroe and Krishnan, 1985). Extrinsic cues are attributes which, while product related, are not a physical part of the product (Olson and Jacoby 1972). Extrinsic cues includes brand name, price, warranty, type of package, type of retail store, and other factors that affect the consumers' perception of a product but not the product's physical attributes.

On the other hand, the intrinsic cues are those that influence the product in a way that changes its actual composition, e.g., strength, aroma, and taste (for coffee) and sound, image clarity, colour contrast and performance (for television). The COO effect is important because it is an extrinsic cue that consequently is likely to be used by consumers in a purchase decision. In other word, Intrinsic cues are those product attributes which are intrinsic to the product in the sense that they cannot be changed or experimentally manipulated without changing the physical characteristics of the product itself. The most serious consideration of this phenomenon is in situations where consumers reject a product solely on the basis of its country of origin (Brodowsky, Tan and Meilich 2004). Country of origin is considered as an extrinsic cue since the "made in" label can be altered without changing the physical composition of the product.

Research in the area of country of origin brings forward significant questions about the way consumers acquire process and use country of origin information. How does this type of information interrelate with other information cues (like price, quality, soling, and warrant) and how does it affect consumer perceptions and attitudes regarding the product? From a theoretical perspective, products can be viewed as an array of cues. The consumer's task in evaluating a product is to use cues from the array as the basis for making judgments about the product (Cox, 1967). According to Cox (1967), consumer purchase decisions are frequently made under conditions of varying uncertainty regarding the product and its attributes. To reduce such uncertainty, it is assumed that consumers seek and

process information regarding the product and generally attempt to form accurate impressions of it. Cues are, therefore, information that consumers relate to products which stimulate their process of cognitive response. These information cues stimulate consumers' perceptions about the attributes of a brand. These perceptions have a significant effect upon the consumer's intention to purchase.

2.1 Country of Origin Effects

In large COO studies, the primary concern is in determining the effects of consumers' perceptions of countries (a demographic factor) on their ratings of products' quality and their choice processes. Hence, emphasis is being conducted at the product *utilitarian or functional* benefits level and not the brand *symbolic associations or image attributes* level. Can these models of perception of produce quality extend to other product categories and be based on demographic factors? (Thakor and Kohli, 1996).

According to the literature, different researchers studied the effect of COO from a different perspective. Okechuku (1994) suggested that, COO effects appear to be product specific, while other researchers found that the effects of COO on product evaluations varied with technical complexity of products (Kaynak and Cavusgil, 1983; Samiee, 1994). The degree of availability, familiarity, and perceived serviceability of foreign versus domestic (Han, 1990; Parameswaran and Yaprak, 1987), the beliefs held by consumers about the appropriateness of purchasing foreign-made products, i.e., the degree of "consumer ethnocentrism" (Han, 1990; Shimp and Sharma, 1987), and the perceived level of economic development of the source country (Schooler, 1971; Wang and Lamb, 1983; Okechuku, 1994).

Product evaluations also vary with the degree of similarity to the home country's economic, cultural and political system to the foreign country (Wang and Lamb, 1983; Crawford and Lamb

1981), preference for products made in some countries more than others (Cattin *et al.*, 1982; Papadopoulos *et al.*, 1987; Schooler, 1965). Products made in different countries and the level of economic development of those countries (Lumpkin *et al.*, 1985). COO effects was found to vary across different product categories (d'Astous *et al.*, 1993; Kaynak and Cavugil, 1983), the product life cycle (Niss, 1996), and meta-analysis of COO effect (Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999). Morello (1984) found that significant COO does exist and affects consumers' purchase behaviour.

In a wide ranging and comprehensive literature review of country-of-origin effects in studies published between 1965 and early 1997, Al-Sulaiti and Baker (1998) reported in their study about the effects of country of origin and passed a question to find out how much influence the country of origin have on products and services. However, this question remains unanswered and a number of other major issues have yet to be resolved.

COUNTRY OF ORIGIN AND PRODUCT EVALUATION

Much of the research carried out has emphasised the country effects on product evaluation or product image. Such approach is useful for companies and organizations that want to know how their products are perceived. It can, however, be argued that it lacks practical relevance to managers who want their products to be sold since it fails to address how country of origin actually affects consumer purchase behaviour (Johansson, 1993). According to Schooler (1965) the differences in the evaluation of products that were identical in all aspects except for their COO existed. In latter studies the product evaluations have often been divided into three sorts; perceived quality, product attitude and purchase intention. Research results indicate that the COO effect is major for perceived quality, and minor for purchase intention, with attitude judgements

falling in between (Verlegh and Steenkamp, 1999).

Johansson *et al.*, (1985) developed a multi-cue method for examining the impact of country of origin on product evaluation. The findings of his study indicated that country of origin effects were relatively minor when a multi-attribute approach was used. Researchers concluded that the country of origin effects may be less significant than has generally been believed, and they may occur predominantly in relation to evaluation of specific attributes rather than overall evaluation. Accordingly, their findings supported the hypothesis that the country of origin is used as a surrogate variable to evaluate a product when respondents have limited knowledge about that product.

Once the consumers evaluate products from a country they may use different aspects such as personal background and attitudes towards the country. Studies have demonstrated different results regarding impact of consumer's age, income and other demographic factors have on consumers' evaluations of products either foreign or domestic (Ghadir, 1990; Lawrence, 1992; Sharma, *et al.*, 1995; Han, 1990) and it is therefore hard to draw any conclusion.

An explanation could be that the design of the studies varies which has led to different results. Although several studies have examined country-of origin effects on product evaluation (Han and Terpstra, 1988; Maheswaran 1994), very little systematic theory-based research has examined the factors that influence country-of origin evaluation (Peterson and Jolibert, 1995; Zeynep and Durairaj, 2000). Zeynep and Durairaj (2000) found out that COO evaluation is more likely to be favourable when consumers focus on the country of origin and when the information is dispersed across several of the country's products. Furthermore, when consumers focused on the attribute information, COO information was not highly accessible and was less likely to be related to the new information. Lee *et al.*, (1992) examined personal computers and wall clocks and found that both price and warranty had greater impact than COO. The impact of warranty was greater for the personal computer, indicating that

when the product is more complex, higher priced, or is at a greater risk, a warranty becomes more important.

Han (1989) examined the role of country image in consumer evaluations of two products (television sets and automobiles). The results suggested that country image can be used by consumers in product evaluations in either or both of two directions: 1- As a halo construct (country image used to consider products that consumers know little about); 2- Or, as a summary construct (as consumers become familiar with a country's products, country image may become a construct that summarises consumers' beliefs toward product attributes and directly affects their attitudes toward the brand).

In another study, Leonidou et al (1999) examined the Bulgarian consumers' perceptions of products made in five Asia-Pacific countries . They found that Bulgarian consumers rate products from developed countries more favourably than from developing countries. Sohail, (2004 and 2005) conducted two studies on Malaysian consumers to evaluate products made in China and Germany. Results showed that Malaysian consumers rated products made in China highly for their competitive pricing and Germany products rated highly for their quality.

From the literature review, there is almost no study conducted with consumers from less developed countries (Hamin and Elliott, (2006) and few studies that have been undertaken outside the USA mostly included other industrialized countries and Eastern European countries (Bhuian, 1997 and Usunier, 2006). Leonidou et al (1999) expressed similar opinion and they pointed out to the fact that most researchers have adopted an approach in their investigations, in the sense that they have examined consumers' perceptions of products made from a wide array of countries, thus minimizing the level of detail gained on specific countries or regions. With the exception of Japan and South Korea (e.g. Erickson *et al.*, 1984; Han and Terpstra, 1988; Tse and Lee, 1993), other countries in the region have received limited empirical attention.

ARABIC CONSUMERS AND COO EFFECTS

The total population of all Arabic countries is 339 millions, and according to the, World Economic Outlook Database report in 2008 by International Monetary Fund, the gross domestic product (GDP) of all the Arabian countries will reach 2,340,427 by the year 2007. Only a few studies investigated on the effect of COO on Arabian consumers attitudes. The first study was done by Yavas and Secil (1984) and they found that Saudi consumers do not have any strong negative biases against the made-in UK label. Equally important, though, the made-in UK label does not enjoy a strong positive image either. Among Saudi consumers the made-in UK label was found to elicit a negative price bias among the Saudis surveyed. Yavas and Alpay (1986) examined the Bahraini and Saudi Arabian consumers' attitudes toward products made-in several countries and the results revealed that both countries consumers evaluated Japan made-in label the highest, while Taiwan was the lowest.

Badri *et al.*, (1995) examined the COO stereotyping by businesspeople in the Gulf States of the Middle East which included six countries . The main result of this study is that the COO stereotyping was present in those Gulf States, with evidence that Japan, USA and Germany clearly emerged as most favoured countries of origin. Bhuian (1997) found that Saudi consumers have the most positive attitudinal response to products and marketing practices of US and Japan. Meanwhile, Ghadir (1990) investigated the Jordanian consumers' perceptions of product quality, price, and risk of foreign versus domestic product and then researchers pointed out that the COO has a significant relationship with the consumers' perception of the product's quality, price and risk.

Al-Suliti and Baker (1997) did their research on the service sector which investigated Qatari consumers' perceptions and selections of domestic vs. foreign airline services. The effect of COO on the intention was found. Aboulnasr, (2007) investigated the enduring involvement with a product in consumers' evaluation

of foreign made products and the results revealed that consumers who were highly involved with the product category used attribute information to form their evaluation, while less involved consumers relied more on the country of origin cue to form their product quality evaluation.

PRODUCT'S COUNTRY IMAGE

Earlier research has confirmed that consumers have a tendency to regard products that are manufactured in a certain country with constantly positive or negative attitudes (Bilkey and Nes, 1982). Jaffe and Nebenzahl, (2001) define the product country image as the image of a country as a production location of the relevant product components incorporated in products. Country-of-origin image reflects a consumer's general perceptions about the quality of products made in a particular country and the nature of people from that country (Erickson *et al.*, 1984; Parameswaran and Yaprak, 1987).

Much research has been done in the field of product country image. However, very little is known regarding the attitudes of people towards products from different countries and also how they develop these attitudes (Papadopoulos and Heslop, 1993). Bilkey and Nes (1982) mentioned that the country of origin image affects consumers' product evaluation since consumers evaluate a product on the basis of information cues available. The country of origin is also found to be one of these cues because consumers tend to be less familiar with products of foreign origin (Huber and McCann, 1982). Numerous firms have used positive country-image to good advantage in the marketing of many types of goods (Liefeld, 1993; Papadopoulos *et al.*, 1988).

Several studies suggest a hierarchy of effects among countries that is the relationship between the level of economic development and perceived superiority of the products (Wang and Lamb, 1983).

Other studies investigated the effects of country of origin on consumer evaluations of uni-national and bi-national products (Han and Terpstra, 1988) since the globalization of business functions has led to the proliferation of hybrid products or products that have foreign made components but a domestic brand name. Despite the general consensus with regard to the influence of country image effects on product evaluation. Han, (1989); Knight and Calantone, (2000), attempted to explain the psychological process of country-of-origin effect through the summary construct model, the halo model, and the cognitive elaboration model

Country of origin and Economic Development

Individuals might have a positive image towards the country in general but may have a negative image towards the country's products or vice versa (Lee and Ganesh, 1999). If consumers hold a positive/negative product country image for a given product and country, this image could lead to a generalised positive/negative evaluation and attitude towards all the brands of a product related with that country (Agrawal and Kamakura, 1999). Whether the product image of a country is perceived to be good or bad often depends on the country's economic development (Crawford and Lamb, 1981, Wang and Lamb 1983). Product evaluations tend to be highest for products from industrialised nations and lowest for developing countries. Therefore, the levels of economic development of a country seem to be the important cues that influence the consumer's perception of product quality and purchasing behaviour (Baughn and Yaprak, 1993; Crawford and Lumpkin, 1993; Mohamad et al., 2000).

Khachaturian and Morganosky (1990) concluded that associating a brand with less-industrialised countries could potentially lower the quality image of that brand type. Moreover, the less-industrialised the country of origin, the more the decline in the quality image. In spite of the fact that the level of economic development is important for the product-country-image of a country,

it should not be overemphasised. Economic development alone cannot explain why some consumers prefer Japanese electronics, German cars and French perfume. Additionally, the product-country-image is often for specific product categories, meaning that a country can have a positive image for a certain category of products regardless of their economic development. Developing countries can therefore establish their own competitive position in the global market.

Country's Culture

A large number of studies have looked at consumer evaluation of products based on country-of-origin and image, and its relationship with needs and a country's culture. A country's culture is the set of environmental characteristics that influences consumer behaviour, and many aspects of culture influence differently certain consumer needs which are satisfied through acquisition of goods and services (Roth, 1995). Studies have demonstrated the existence of national and cultural stereotypes of consensually shared beliefs and judgments related to a country, its citizens, and their cultures (Peabody, 1985; Taylor and Moghaddam, 1987). These stereotypes influence the perception and judgment of any object, including consumer products that are associated with a certain country or culture (Bailey et.al., 1997). Different countries have distinctive images in consumers' minds in specific product categories (Nagashima, 1970; 1977). Han (1990) has stated that COO image studies, in general, show that consumers have significantly different perceptions about products made in different countries.

Politics

The conception of the consumers' country image is affected by their political stand (Bannister and Saunders, 1978). Therefore,

the political environment influences consumers when they evaluate products from another country. When consumers decide if they should avoid a country's products or purchase them they evaluate the policies and practices of a country's government (Smith, 1990). There are also cases when consumers reward regimes through the purchase of their products (Friedman, 1996).

Han (1990) demonstrated that consumers' willingness to purchase a product was related to the economic, political, and cultural characteristics of the product's country of origin. Additionally, country-of-origin images were affected by the consumer's perception of similarity between his or her own country and the country of origin's political and cultural climate and beliefs systems. Crawford and Lamb (1981) and Wang and Lamb (1983) indicated that consumers were most willing to buy products made in economically developed and politically free countries.

Country's Halo Effects

Consumers use evaluation-based inference to reason that product image correlates with the producer country and its characteristics (Yaprak and Parameswaran, 1986; Khachaturian and Morganosky, 1990). This phenomenon is known as a halo effect in which a belief about one product characteristic (the country in which the product was made) produces a belief structure about unknown characteristics that are congruent with the known trait (Erickson *et al.*, 1984; Han, 1989). Erickson *et al.*, (1984) and Han (1989) indicated that when knowledge about a product is limited, a country's image (country-of-origin COO, country-of-assembling COA, or, country-of-design COD) is used as a "halo effect" to evaluate the consumer's purchase preference.

According to Han (1990), the halo hypothesis suggested that consumers may consider not buying an unfamiliar foreign brand simply because they may make unfavourable inferences about the quality of the brand from their lack of familiarity with products from

the country. There is also an opposite direction to the halo effect called the summary construct. This concept means that when the consumers have experience of products from a certain country, they infer that knowledge to evaluate other products from the country (Han, 1989), and when consumers have less experience of products from a country, it has been stated that they infer the country image to evaluate the products. One image attribute was the level of economic development, but the image is also made up by a country's type of regime, ethical stands, culture, tourism and etc. From the standpoint of this, one must conclude that the image of a country is a very complex issue that may depend on several factors.

| Author | Year | Purpose | Country-of-origin | Findings |
|-----------|--------|---|--|---|
| Schooler | (1965) | To investigate the consumers' bias based on product origin in the central American Common Market (CACM) | Central American Countries | Results supported the hypothesis that attitude towards the people of a nation is related to preconception regarding the products of the country |
| Nagashima | 1970 | To measure the cross-cultural image of "made in" products as produced by US and Japanese business | USA, Japan, Germany, UK, France, Italy | Made-in stereotype differed among Japanese and American Businessmen, Made-in was strongly influenced by familiarity of products and the availability of country's products. |

| | | | | |
|---------------------------------|------|--|---|--|
| Papadopoulos <i>et al.</i> , | 1987 | To examine consumers' perceptions of foreign consumer goods | UK, France, USA, Japan, and Sweden | Consumers in different countries respond differently to COO cue |
| Han | 1990 | To address the role of COO image in consumer choice behaviour | Japan, USA, and Korea | Consumer willingness to purchase a product was related to the economic, political, and cultural characteristics of the product's country |
| Ahmed and D'Astous | 1993 | To investigate the effects of three countries-of-origin, three brand names and three levels of price and service on consumers' perceptions of purchase value of an automobile in two consuming countries | Japan, Russia, Canada and Belgium | The effect of price on perception of purchase value was not significant. The brand name was a more important informational cue than Made-in for Belgium consumers, but not for Canadian consumers |
| Leonidou <i>et al.</i> , | 1999 | To examine Bulgarian consumers perceptions of products from five Asian Pacific countries and identifying the most used of information sources for evaluating these products | Japan, Hong Kong, Singapore, Indonesia, and India | Bulgarian consumers rate products from developed countries more favourable than the products from developing countries, Japan has a very good image and the other four countries face a serious image problem. |

| | | | | |
|-----------------|------|--|---|---|
| Kaynak and Kara | 2002 | To investigate product-country images, lifestyles and ethnocentric behaviours of Turkish consumers | Japan, USA, Russia, China, Eastern Europe, and Western Europe | Consumers had significantly different perceptions of product attributes for the products coming from countries of different levels of socio-economic and technological development. |
| Liu and Johnson | 2005 | To test the hypothesis that country stereotypes can be spontaneously activated by the mere presence of COO information | Japan and China | COO occurred automatically and contributed to product evaluations without participant's intention or control |

Table 1: Selected Studies on COO (made-in)

| Author | Year | Purpose | Country-of-origin | Findings |
|----------------|------|---|-------------------|--|
| Bilkey and Nes | 1981 | To review the literature regarding the effect of COO on buyer evaluations of products | Literature review | That COO did significantly influence product evaluations and almost all of the early studies involved a single cue. COO was the only information on which respondents based their evaluations. |

| | | | | |
|------------------------------|------|--|---|---|
| Erickson <i>et al.</i> , | 1984 | To determine the effect of image variables on beliefs and attitudes in the multi-attribute model framework | USA, Japan, and Germany | Country of origin affects beliefs but not attitudes. Any influence appears on attitude to be secondary one acting through beliefs |
| Johansson <i>et al.</i> , | 1985 | To examine the impact of automobiles of COO product evaluation | Germany, USA, and Japan | COO used as a surrogate variable to evaluate a product when subjects have limited knowledge about the product |
| Han | 1989 | To examine the role of country image in consumer evaluations of TV sets and cars | USA, Korea, and Japan | Country image can be used in either or both of two direction, as a Halo construct or as summary construct |
| Akaah and Yaprak | 1993 | To investigate via conjoint methodology the influence of COO on product evaluations | USA, Japan, W. Germany | The influence of COO was weak when it was evaluated as one cue in an array of product cues |
| Johansson <i>et al.</i> , | 1994 | To investigate the role of image product country for Russian tractors in the USA | Russia. USA, Germany, Italy, Canada, Japan | COO played an important role in the process of product evaluation |

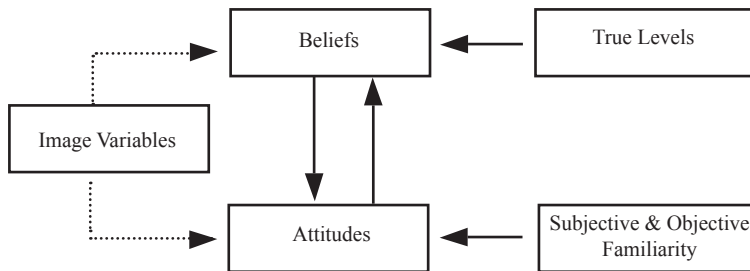
| | | | | |
|---------------------|--------------|---|------------------------------------|---|
| Zeynep and Durairaj | 2000 | To examine how COO evaluations are influenced in response to new information, and identify factors that affect COO perception | Taiwan, Japan S. Korea and Germany | COO is more likely to be favourable when consumers focus on the country-of origin and when the information is dispersed across several of the country's products. But, when consumers focused on the attribute information, COO information was not the new information |
| Sohail | 2004 2005 | To examine the COO effects on Malaysian to evaluate products made in China and made in Germany | China Germany | Products made in China had been rated highly for their competitive pricing. German had been rated highly for their quality |
| Ekrem and Fazil | 2007 | To examine the COO effect of products, made in 12 different Countries, in Turkey | 12 countries | COO in respect of different product categories, different product attributes and different demographic characteristics influence consumer evaluation of products |

Table 2: Selected Studies on COO and Product Evaluation

THE COUNTRY OF ORIGIN MODELS

Model of Erickson, Johansson, and Chao 1984

One of the first attempts to model country of origin effects (Figure 2.4) adopted a multi-attribute framework to estimate a model (Erickson *et al.*, 1984). Using simultaneous equation regression, an image variable (country of origin) was linked to attitudes and beliefs obtained through a survey of evaluation of automobile alternatives. The results indicated that country of origin appears to have direct effects on the beliefs but not on the attitudes. In addition, country of origin effect did not appear to have a direct effect in nature but rather a secondary source of influence on attitudes when mediated via beliefs.



Source: Erickson, *et al.*, (1984), page 696

Figure 2.4: Belief-Attitude Model with Image Effect

Model of Johansson, Douglas, and Nonaka 1985

A slightly different conceptual model by Johansson, Douglas, and Nonaka (1985) was built upon the initial attempt to model country of origin effects, to demonstrate how country of origin information affects the belief-attitude relationship. As was the case in the first

attempt to model the construct, a multi-attribute attitudinal model was also analyzed using a system of simultaneous equation means. The conceptual model underlying the approach specified overall affect (or evaluations) to be a linear function of salient beliefs about the product (i.e., an automobile). However, in addition to country of origin this model allowed for the incorporation of nationality and other demographic variables along with their interaction with product familiarity and experience as potential influences on beliefs and attitudes.

Models of Han 1989

According to Han (1989) the halo construct model (Figure 2.6) implies that the country of origin image affects products attributes (beliefs) which in turn affect product attitude (product evaluation) when consumers are unfamiliar with a country's products. If consumers have a high level of product familiarity, the country image will have no significant effect on product evaluation in the Halo model. The Halo model is depicted in the following figure for easier understanding.



Source: Han (1989), page 224

Figure 2.6: Halo Model

In contrast, Han's (1989) original summary construct model (Figure 2.7) implies that, among consumers possessing high knowledge about the product stimulus, country image may serve to summarize beliefs about product attributes, directly affecting brand attitude; in other words, a structural relationship of the form *Beliefs* →

COI → Brand attitude. The summary construct model proposes that consumers infer information about product attributes based on coded abstract chunks of information that are stored and readily recalled from long-term memory. This model interprets the impact of COO in terms of generalising of pre-existing perceptions about products made in a country to attributes of other products from the same country (Han 1990). Therefore, knowing that Japan produces high quality electronic products and high quality automobile may lead consumers to expect that other manufactured durables from Japan are also of high quality, thereby enhancing confidence and trust in products in general from that country.



Source: Han (1989), page 224

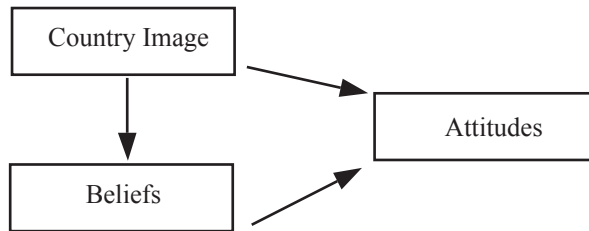
Figure 2.7: The Summary Construct Model (formative beliefs)

Model of Obermiller and Spangenberg 1989

Obermiller and Spangenberg (1989) provide another framework of information processing involving the COO effect. They use the cognitive, affective and normative process to explain consumers' product attributes evaluations when it comes to country-of-origin. The cognitive process deals with the belief and knowledge about product attributes, affect deals with the general feelings evoked by a product, the cognitive deals with consumers' tendency to act, which in marketing research is linked with purchase intentions. Obermiller and Spangenberg (1989), like Han (1989) describe three scenarios in which each of the cognitive, affective and normative process explain the use of COO in information processing.

Model of Knight and Calanton 2000

In 2000, Knight and Calantone tested a new model of COO image cognitive processing which is both comprehensive and flexible, and which extends and improves prior work by Han (1989) and it is similar to an earlier one proposed by Erickson *et al.*, (1984). This “flexible model” is presented in (Figure 2.9) and provides an all-encompassing explanation of attitude formation, allowing attitudes to be both directly and indirectly through beliefs influenced by COO image. Knight and Calantone (2000) concluded that both country image and product beliefs simultaneously influence the consumers’ attitude towards the brand. Furthermore they discovered that COO also heavily influences beliefs regardless of product knowledge.



Source: Knight and Calantone (2000), page 131

Figure 2.9: The Flexible Model

CONCLUSION

The country of origin issue began four decades ago and has grown rapidly to stand as one of the major influencing factors on product evaluations in the area of global marketing and in the field of theory of business. Despite the plethora of studies conducted on COO, the majority of studies has been conducted in developed countries and

has been very rare to be conducted in developing and less developed countries. In addition, most of the studies concerned only on consumers from developed and developing countries and ignored consumers from less developed countries. It is notable to mention that more studies on country of origin should target the perception and attitudes of consumers from less developed countries toward products made in countries of origin which have different levels of economic development.

REFERENCES

- Aboulnasr, Khaled (2007). Consumers' Response to Foreign Made Products: The Effect of Product Category Involvement. *Marketing Management Journal*. 17 (2):47-55
- Agrawal, Jagdish and Wagner A. Kamakura (1999). Country of origin: A competitive advantage. *International Journal of Research in Marketing*. 16(4): 255-67.
- Australian Competition and Consumer Commission (2005). *Country of Origin Claim*. ACCC publishing unit, Australia
- Badri, Masood A., Donald L. Davis and Donna F. Davis (1995). Decision support for global marketing strategies: The effect of country-of-origin on product evaluation', *The Journal of Product and Brand Management*. 4 (5): 49-54.
- Bannister, J.P and J.A. Saunders (1978). U.K. Consumers' Attitudes toward Imports: The Measurement of National Stereotype Image. *European Journal of Marketing*. 12 (8): 562-70.
- Baughn, C. C., & Yaprak, A. (1993). Mapping Country of Origin Research: Recent Developments and Emerging Avenues. In N. Papadopoulos & L. Heslop (Eds.), *Product-Country Images: Impact and Role In International Marketing*. International Business Press, 89-116.
- Bhuian, Shahid N. (1997). Saudi Consumers' Attitudes Towards

- European, Us and Japanese Products and Marketing Practices. *European Journal of Marketing*. 31 (7): 467–86.
- Bilkey, W. J., & Nes, E. (1982). Country of Origin Effects On Product Evaluation. *Journal of International Business Studies*. 8(1): 89-99.
- Brodowsky, G.H., Tan, J. & Meilich, O. (2004). Managing Country of Origin Choices: Competitive Advantages and Opportunities. *International Business Review* 13.729-748.
- Bruning, E.R. (1997). Country of origin, national loyalty and product choice: the case of international air travel. *International Marketing Review*. 14 (1): 59-74.
- Cattin, P., Jolibert, A., & Lohnes, C. (1982). A Cross-Cultural Study of “Made In” Concepts. *Journal of International Business Studies*, 13(3):131-141.
- Chao, P. (1998). Impact of Country-Of-Origin Dimensions on Product Quality and Design Quality Perceptions. *Journal of Business Research* 42(1): 1-6.
- Cox D.F. (1967). The Influence of Cognitive Needs and Styles On Information Handling In Making Product Evaluations. In *Risk Taking and Information Handling In Consumer Behavior*, (Ed.) D.F. Cox, Boston, Ma, 370-92.
- Crawford, J. C., & James R. L. (1993). Environmental Influences On Country of Origin Bias. In N. Papadopoulos & L. A. Heslop, Editors, *Product-Country Image: Impact and Role In International Marketing*. Binghamton, Ny: International Business Press, 341-375.
- Crawford, J.C., Lamb, C.W., (1981) Source Preferences For Imported Products. *Journal of Purchasing and Material Management*, 17:28-33.
- D’ Astous, A., Ahmed, S.A., and Adraoui, M. (1993). “The Influence of Country of Origin On Consumer Product Evaluations. *Geston*, 18:14-21.
- Erickson, G. M., Johansson, J. K., & Chao, P. (1984). Image Variables in Multi-Attribute Product Evaluations: Country-Of-Origin

- Effects. *Journal of Consumer Research*. 11(4): 694-699.
- Friedman, M. (1996). A Positive Approach to Organized Action: The “Boycott” As An Alternative to The Boycott. *Journal of Consumer Policy*. 19: 439-451.
- Ghadir, H., (1990). *The Jordanian Consumers’ Perceptions of Quality, Price, and Risk of Foreign Vs. Domestic Products: Empirical Investigation*. University of Sheffield, Sheffield. Phd Thesis.
- Hamin and G. Elliot (2006). A Less-Developed Country Perspective of Consumer Ethnocentrism and Country of Origin Effects: Indonesian Evidence. *Asia Pacific Journal of Marketing* 18(2): 79-92
- Han, C. M. (1989). Country Image: Halo or Summary Construct? *Journal of Marketing Research*, 26(2), 222-229.
- Han, C. Min (1990), ‘Testing the Role of Country Image In Consumer Choice Behaviour’, *European Journal of Marketing*. 24(6): 24-40
- Han, C. Min and Vern Terpstra, (1988). Country of Origin Effects For Uni-National and Bi-National Products. *Journal of International Business Studies*, Vol. 19 (2): 235–55
- Huber, J. & Mccann, J., (1982). The Impact of Inferential Beliefs on Product Evaluations. *Journal of Marketing Research*. 19(3): 324-333.
- Jaffe, E. D., & Nebenzahl, I. D. (2001). *National Image and Competitive Advantage: The Theory and Practice of Country-Of-Origin Effect*. Copenhagen: Copenhagen Business School Press.
- Johansson, J.K. (1993). Missing a strategic opportunity: managers’ denial of country-of Origin on product effects. In N., Papadopoulos, & L.A. Heslop (Ed.), *Product-Country Images: Importance and Role in International Marketing* (pp. 77-86). New York: International Business Press
- Johansson, J. K., Ronkaninen, I. and M. Czinkota (1994). Negative Country-Of-Origin Effects: The Case of the New Russia. *Journal of International Business Studies*, 25(1); 157-76.
- Johansson, J. K., Douglas, S. P., & Nonaka, I. (1985). Assessing the Impact of Country of Origin On Product Evaluation: A New Methodological Perspective. *Journal of Marketing Research*. 22: 388-396.
- Kaynak, E., & Cavusgil, S. T. (1983). Consumer Attitudes Toward Products

- of Foreign Origin: Do They Vary Across Product Classes?.
International Journal of Advertising. 2:147-157
- Al-Sulaiti Khalid I. and Michael J. Baker (1998). Country of Origin Effects: A Literature Review. *Marketing Intelligence & Planning*. 16 (3): 150-199
- Kinght. A. G. and Calantone. J. R (2000). A Flexible Model of Consumer Country-Of-Origin Perceptions. *International Marketing Review*. 17 (2): 127-145
- Lee, H., Kim, C., & Miller, J. (1992). The relative effects of price, warranty and country-of-origin on consumer product evaluations. *Journal of Global Marketing*. 6 (1/2): 55-80
- Lee, D., & Ganesh, G. (1999). Effects of Partitioned Country Image In the Context of Brand Image and Familiarity: A Categorisation Theory Perspective. *International Marketing Review*. Vol. 16(1): 18-39.
- Leonidou, C. L., Hadjimarcou, J., Kaleka, A. & Stamenova, G. T. (1999) Bulgarian consumers' perceptions of products made in Asia Pacific. *International Marketing Review*. 16(2) 126-142
- Liefeld, J, Heslop, L, Papadopoulos, N, Wall, M (1996). Dutch Consumer Use of Intrinsic, Country-Of-Origin, and Price Cues In Product Evaluation and Choice. *Journal of International Consumer Marketing*. Vol. 9 (1): 57-81.
- Lumpkin, J. R., Crawford, J. C., & Kim, G. (1985). Perceived Risk As A Factor In Buying Foreign Clothes. *International Journal of Advertising*. 4(2): 157-71.
- Maheswaran, D., (1994). Country-Of-Origin As A Stereotype: Effects of Consumer Expertise and Attribute Strength On Product Evaluations. *Journal of Consumer Research*, 21 (2): 354-366.
- Mohamad, O., Ahmed, Z.U., Honeycutt Jr, E.D. and Tyebkhan, T.H. (2000). Does 'made in...' matter to consumers? A Malaysian study of country-of-origin effect. *Multinational Business Review*. 8 (2):69-74
- Monroe, K., & Krishnan, R. (1985). The Effect of Price On Subjective Product Evaluations. In Jacoby, J. and Olson, J. (Eds.), *Perceived Quality: How Consumers View Stores and Merchandise*. Boston, Ma: Lexington Books. (209-232)
- Nagashima, Akira (1970). A Comparison of Japanese and U.S. Attitudes Towards Foreign Products. *Journal of Marketing*. 34: 68-74.

- Nagashima, Akira (1977). A Comparative “Made In” Product Image Survey Among Japanese Businessmen’, *Journal of Marketing*. 41 (3): 95–100.
- Obermiller, C., & Spangenberg, E. (1989). Exploring the effects of country of origin labels: an information processing framework. *Advances in Consumer Research*, 16: 454–459.
- Okechuku, C. , (1994) . The Importance of Product Country-Of-Origin: A Conjoint Analysis of the United States, Canada, Germany, and the Netherlands. *European Journal of Marketing*. 28 (4): 5-19.
- Olson, Jerry C and Jacob Jacoby (1972), Cue Utilization in the Quality Perception Process’, In M. Venkatesan (Editor), *Advances In Consumer Research*, Provo, Utah: Association For Consumer Research. 1: 169-79.
- Papadopoulos *et al.*, 1987;
- Papadopoulos N.G., L.A. Heslop (1993). *Product-Country Images: Impact and Role In International Marketing*. The Haworth Press, New York.
- Papadopoulos, N., L.A. Heslop, F. Graby and G. Avlonitis (1987). Does Country of Origin Matter? Some Findings About Foreign Products. Cambridge: *Marketing Science Institute Report* 87-104.
- Parameswaran, R., & Yaporak, A. , (1987). A Cross-National Comparison of Consumer Research Measures. *Journal of International Business Studies*. 18 (1):35-49
- Peabody, D., (1985). *National Characteristics*. Cambridge: Cambridge University Press.
- Peterson, Robert A. and A. Jolibert (1995). A Meta-Analysis of Country-Of-Origin Effects. *Journal of International Business Studies*. 26(4): 883–900.
- Roth, M. S., (1995). The Effect of Culture and Socio-Economics on the Performance of Global Brand Image Strategies. *Journal of Marketing Research*. 32 (May):163-175.
- Samiee, S. (1994). Customer Evaluation of Products in A Global Market. *Journal of International Business Studies*. 25(3):579-604.
- Schooler, R. D. (1965). Product Bias In the Central American Common Market. *Journal of Marketing Research*. 2:394-397.
- Sharma, S., Shimp, T., Shin, J., (1995). *Consumer Ethnocentrism: A Test of Antecedents and Moderators*. *Journal of the Academy of*

- Marketing Science*. 23(1): 26-37.
- Shimp, T. A., and Sharma, S. (1987). Consumer Ethnocentrism: Construction and Validation of the Cetscale. *Journal of Marketing Research*, 24(3):280-289.
- Smith, N. (1990). *Morality and the Market*. London: Routledge.
- Sohail, S. (2004). Consumer Evaluation of products made in China: A Malaysian perspective. *Journal of International Business and Entrepreneurship Development*. 2(1):13-19.
- Sohail, S. (2005). Malaysian Consumers' Evaluation of Products Made In Germany: The Country of Origin Effect. *Asian Pacific Journal of Marketing and Logistics*. 17(1): 89-100.
- Taylor, D. M., & Moghaddam, F. M., (1987). *Theories of Intergroup Relations: International Social Psychological Perspectives*. New York: Praeger.
- Thakor, Mrugank V. (1996). Brand Origin: Conceptualization and Review. *The Journal of Consumer Marketing*. 13 (3): 27-42.
- Tse, D.K. and W.-N. Lee (1993). Removing negative country images: Effects of decomposition, branding, and product experience. *Journal of International Marketing*. 1 (4): 25-48.
- Usunier, Jean-Claude (2006), "Relevance Versus Convenience in Business Research: The Case of Country-of-Origin Research in Marketing. *European Management Review*. 4 (2): 60-73
- Verlegh, Peeter W.J and Jan-Benedikt E.M. Steenkamp (1999). A Review and Meta-Analysis of Country-Of-Origin Research. *Journal of Business Research*. 20:521-46.
- Wang, Chih-Kang and Charles W. Lamb Jr (1983). The Impact of Selected Environmental Forces Upon Consumers' Willingness to Buy Foreign Products. *Journal of the Academy of Marketing Science*. 11(Winter): 71-84.
- Yaprak, A. and Parameswaran, R. (1986). Strategy Formulation In Multinational Marketing: A Deductive, Paradigm- Integration Approach. In Cavusgil, S. T. (Ed.). *Advances In International Marketing*. Greenwich, Connecticut: Jai Press Incorporation. 21-45.
- Yavas, Ugur and Guvenc Alpay (1986). Does an exporting nation enjoy the same cross-national image?. *International Journal of Advertising*. (5):109-19



- Yavas, Ugur and Secil Tuncalp (1984). Saudi Arabia: Perceived risk in buying 'made in Germany' label. *Management International Review*. 25 (4): 58-65.
- Zeynep, G. C., & Durairaj, M. (2000). Determinants of Country-Of-Origin Evaluations. *Journal of Consumer Research*. 27(1):96-108.

