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A contingent approach to country-of-origin effects on foreign products evaluation: Interaction of facets of country image with product classes

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ABSTRACT

This study investigates the effect of country-of-origin image on consumers' evaluations of foreign products and disaggregates the effects across facets of country image and across product classes. We disentangle country image into cognitive and affective dimensions, and additionally disaggregate the cognitive dimension into geographic and human aspects. We posit that country-of-origin effects will vary across distinct facets of country image and that the effect of each facet of country image will vary across different classes of products. By means of an online survey, data were collected from French consumers regarding their perceptions of cognitive and affective aspects of two countries – Brazil and Germany – and their evaluation of three product classes – utilitarian nature-based, utilitarian industrialized and hedonic industrialized – which were represented respectively by fruits, home appliances and clothes. Empirical results partially corroborate the hypothesized contingent impacts.

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1. Introduction

According to the World Trade Organization (2014), the value of exports of manufactured goods increased more than five-fold between 1990 and 2013, which implies that consumers in general are buying more foreign products. In their purchase decision, consumers may resort to several cues (e.g., size, visual appearance, weight and referrals from friends or from opinion leaders, among others) that somehow indicate whether the product is expected to meet the desired levels of performance (Manrai, Lascu, & Manrai, 1998). In the particular case of foreign products, one cue may be the image of the country-of-origin where the product was (or is thought to have been) produced. Consequently, firms should consider how the image of the country-of-origin is expected to influence the attitude of consumers towards their products—and make the appropriate adaptations to their marketing mix (Zhang, 1997).

The country-of-origin (CoO) effect has been researched since the early 1960s (cf. Roth & Diamantopoulos, 2009) and the focus of the studies has tended to evolve from the mere verification of the *existence* of the effect of the nationality of products to the investigation of several determinants that would influence the *magnitude* of the effect. While the existence of the effect has generally been confirmed, there is controversy as to its size and the variables that would moderate the effect (Peterson & Jolibert, 1995; Verlegh & Steenkamp, 1999). In the quest for determining type and magnitude of influence, the country-of-origin image (CoI) – and its constituent dimensions – has emerged as a fundamental concept in the study of CoO effects on consumers' evaluation of, attitudes towards, and purchase intention of foreign products (Roth & Diamantopoulos, 2009).

This study takes a contingent approach to assess the impact of country-of-origin image on consumers' evaluation of foreign products. Specifically, the objective of this study is to examine whether the effect of CoI on the evaluation of the quality of foreign products varies across different facets of the construct (geography cognitions, human cognitions, and affections) and across classes of products (utilitarian nature-based, utilitarian industrialized, and hedonic industrialized).

The literature on CoI impacts (e.g., Howard, 1989; Kaynak & Cavusgil, 1983) has not properly disentangled the differential impacts of each conceptual dimension of CoI and has not properly addressed the dyadic effects (i.e., between individual dimensions of CoI and specific product classes). By treating CoI and product (quality) in more aggregate (vs. fine-grained) levels, some of the studies that found no significant effects might have incurred in Type II error.

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Our main contribution lies in disaggregating the impacts of the dimensions of CoI (instead of the usual approach of simply estimating an overall impact)—and finding evidence that the relative magnitudes of the effects of CoI dimensions vary across product classes.

2. Literature review

Country-of-origin (CoO) and country-of-origin image (CoI) are two inextricably related constructs. While CoO research has investigated whether or not the national origin of a product would affect consumers' evaluations and preferences, CoI research helps clarify which particular aspects of the country would drive consumers' perceptions and attitudes (e.g., product evaluations and behavioral intentions) towards products from a given country (Roth & Diamantopoulos, 2009).

Consumers resort to cues in order to assess the quality of products (Maheswaran, 1994). Some cues are intrinsic and directly associated with the product (e.g., physical aspects, such as color, smell, taste, size), while others are extrinsic, that is, more intangible (such as, warrant terms, brand, price or type of distribution channel; or CoO and CoI for that matter, cf. Manrai et al., 1998). Consumers' perceptions about quality or other product attributes influence their preferences and behavior (Chao and Gupta, 1995)—and extrinsic cues gain more importance when the consumer finds it difficult to objectively assess the product (Dawar & Parker, 1994; Srinivasan, Jain, & Sikand, 2004; Steenkamp, 1990).

Papadopoulos and Heslop (2002) reported that over 700 studies had been conducted in order to verify the existence of the country-of-origin effect and the magnitude of the impact. This multitude of studies has covered several product classes and types of buyers (cf. Peterson & Jolibert, 1995; Verlegh & Steenkamp, 1999).

Despite this huge amount of research, the literature on CoO and CoI still has some gaps, one of which is the lack of consistency in the conceptualization of the focal construct (Laroche, Papadopoulos, Heslop, & Mourali, 2005; Roth & Diamantopoulos, 2009) and the fact that most studies on CoO effects focus on product images, but not on country images (Papadopoulos & Heslop, 2003). While several reasons may be suggested to explain the mutually inconsistent results in the literature, such inconsistencies may be in part due to diversity in the conceptual and operational definition of the CoI construct as well as lack of proper disaggregation of the effects—which is the point that we address in the present study.

2.1. The country image (CoI) concept

There is still quite a lot of diversity in how researchers have conceptualized and operationalized country image (Hsieh, Pan, & Setiono, 2004; Roth & Diamantopoulos, 2009). Roth and Diamantopoulos (2009: 727) reviewed the literature on CoO and CoI research and identified three main groups of definitions of the focal image object: "(1) definitions of the (general) image of countries (i.e., country image), (2) definitions of the image of countries and their products (also referred to as product-country images), and (3) definitions of the images of products from a country (i.e., product image)". Hsieh et al. (2004) reached similar conclusions.

As for overall country image, Roth and Diamantopoulos (2009) highlight three dimensions: (1) a cognitive component, related to consumers' beliefs about a particular country, (2) an affective component regarding consumer's feelings or emotions towards the country, and (3) a conative component, capturing consumers' behavioral intentions or actual behavior with regard to the sourcing country.

The cognitive component refers to informational beliefs about a country, e.g., degree of economic development, degree of technological advancement, level of political maturity, historical events, social traits, culture and traditions, geography, climate, and also people's characteristics (e.g., competence, creativity, living standards or technical qualifications). The affective component captures emotions and feelings about a particular country. The conative component captures consumers' emotional reactions to a country (Maher & Carter, 2011) and consumers' "desired level of interaction" with the sourcing country (Laroche et al., 2005: 98)—for example, intention to invest in or visit the focal country (Oberecker & Diamantopoulos, 2011), or willingness to live there or socialize with its people.

Roth and Diamantopoulos (2009: 736) contended that "[t]he conative facet (intended/actual behavior) represents an outcome of these two [i.e., of the cognitive (beliefs) and the affective (feelings or emotions) components] and, hence, is a separate construct."

2.2. Differential impacts of CoI across product classes

Some researchers (e.g., Elliot and Cameron, 1994; Eroglu & Machleit, 1989; Kaynak & Cavusgil, 1983; Manrai et al., 1998; Wall, Liefeld, & Heslop, 1991; Witt & Rao, 1992) found evidence that the (average) perceived quality of products from the same country of origin would differ across product classes and that differences in (average) product quality assessments across countries would be statistically significant for some classes of products but not for others. However, these studies did not in fact measure the theoretical relationships between facets of CoI and product classes nor did they provide insights into the mechanisms that would underlie such relationships. Other studies (such as Zeugner-Roth, Diamantopoulos, & Montesinos, 2008) have modeled multiple dimensions of country image, but have aggregated them together by using a second-order, reflectively measured construct—which led them to estimate an overall CoI impact, but prevented them from estimating the individual impact of each dimensions of CoI.

A few studies, though, have disentangled CoI into its component dimensions and investigated the existence of differences in the impacts of distinct facets of CoI on consumers' responses to different products (classes).

Brijs, Bloemer, and Kasper (2011: 1265) concluded that: "[f]or utilitarian-oriented products, cognitive factors more explicitly drive attitude formation, whereas for hedonic-oriented products, the affective elements have greater importance". Verlegh (2001) similarly argued that affect would tend to influence action tendencies toward hedonic objects while cognitions would influence action tendencies toward functional objects.

Roth and Romeo (1992) measured product-country image of nine different countries (but not CoI dimensions in an overall and independent (from the products) assessment) along four dimensions: innovativeness, design, prestige, and workmanship. They evaluated willingness to buy different categories of products (five utilitarian industrialized, and one hedonic industrialized) and found that "willingness to buy a product from a particular country will be high when the country image is also an important characteristic for the product category". So, Roth and Romeo (1992) provided preliminary evidence that, for some classes of products, CoO (or possibly some CoI dimensions) would have a higher impact than for other classes, although they did not in fact measure the association between (overall) country image facets and perceived product quality.

In a similar vein, Han and Terpstra (1988) found that the particular dimensions in which (products from) a given country would be rated high or low would depend on the particular product class under consideration. However, like Roth and Romeo

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