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How can Country-of-Origin image be leveraged to create global sporting goods brands?

Anna Gerke [a,1,*], Nicolas Chanavat [a], Maureen Benson-Rea [b]

[a] University of Paris South, Faculty of Sciences and Techniques of Physical and Sporting Activities (UFR STAPS), Department of Sport Marketing and Management, Bâtiment 335, 91405 Orsay Cedex, France
[b] University of Auckland Business School, Department of Management and International Business, Owen G Glenn Building, 12 Grafton Road, Auckland, New Zealand

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ABSTRACT

While much marketing research has focused on brand creation and management, less is known about the creation of sport brands. This paper complements the stakeholder model of branding and brand creation, which highlights the role of a firm's stakeholders in the analysis of brands, by including country-specific factors based on location and Country-of-Origin (CoO). Using a sample of innovative New Zealand-based firms, our qualitative study uses a comparative case method in two subsector settings to investigate how they have built outdoor sport brands based on that country's particular country-specific factors. We show how firms are able to leverage New Zealand's strong sport product category-country associations to create brand value. Our findings confirm that CoO image together with sport product category-country associations enables the creation of brands in sport product categories. Our paper contributes to theory and practice by extending understanding of brand creation by demonstrating the importance of location and product category. Further research directions are suggested.

1. Introduction

There is a strong trend towards the globalisation of the sport economy (Andreff, 2008). This trend concerns not only sport events, sport sponsorship, and sport media, but also and especially sporting goods firms. Fullerton and Merz (2008) differentiate sport products categories and define the tangible sport product category as the total range of sporting goods, apparel, athletic shoes, and other sports-related products. Andreff (2009) observes an increasing globalisation of supply and demand for sporting goods alongside a trend to more global trading of sporting goods. Firms tend to have globalised value chains, international markets, and competitors from all over the world. Brand management has gained importance in both sport consumer goods and specialised sporting equipment as brands serve to differentiate one firm from another. The need for differentiation increases with the advancement of globalisation and competition.

A brand is defined as: "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers." (American Marketing Association, 2012). The notion of a brand can be differentiated in

* Corresponding author. Tel.: +33 1 69 15 31 59; fax: +33 1 69 15 62 22.
E-mail addresses: anna.gerke@u-psud.fr (A. Gerke), nicolas.chanavat@u-psud.fr (N. Chanavat), m.benson-rea@auckland.ac.nz (M. Benson-Rea).
[1] Part of this research was carried out by the first author while at the third author's institution.

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the two concepts of brand value and brand equity (Jones, 2005). In Jones' (2005) definition brand value is perceived as how the value of a brand is created, while equity refers to how a brand and its value are measured and accumulated. Keller and Lehmann (2006, p. 751) argue that "Brands are made, not born", which is supported by Jones in a stakeholder model of brand equity and value, which states that brand value is created in interaction with multiple stakeholders which adds up to brand equity. Vargo and Lusch (2004) emphasise that marketing is mostly concerned with the co-creation of value, and in the context of brand value creation, Jones' (2005) stakeholder model constitutes an approach that helps brand managers to answer the two fundamental questions in brand management: (1) where does the brand value lie? And, (2) how is this value (co) created? Jones' (2005) stakeholder model of brand value creation shows that brand value is not simply created by the customers but also includes other relevant stakeholders (e.g., suppliers, distributors, competitors or media). This article offers a complementary approach to extant models of brand value creation through the inclusion of the firm's home country and its country-specific characteristics.

Previous research proposes that Country-of-Origin (CoO) reputation can positively impact on the creation of strong brands (Fournier, 1998; Lefkoff-Hagius & Mason, 1993; Pappu, Quester, & Cooksey, 2005). This can be both in terms of a nation's brand and in terms of national firms' brands. Hence, we argue that a strong CoO reputation facilitates the creation of brands. The conditions for this mechanism are an alignment of the values transmitted by the CoO image and the brand values. In past CoO research this has been referred to as "product-country-match" (Roth & Romeo, 1992). Another sub stream of CoO research has emerged, namely "product-country-image", which summarises the connotations and stereotypes that are generally associated with a country and its people, products, culture, and national symbols (Askegaard & Ger, 1998; Papadopoulos, 2004; Verlegh & Steenkamp, 1999).

In this paper we argue that CoO image can also be a source of brand value if there is a country-product match, i.e. if the country characteristics remind the consumer of certain products or a product category (Pappu et al., 2005). Brand value based on the firm's origin, the country, can be created if the consumer associates the country's image positively with the product or product category for which the brand will be created. We analyse this proposition in the context of the strategies pursued by sport equipment firms based in New Zealand. This study extends the current stakeholder model of brand value creation by considering the origin of the firm and how firms use it to develop strong brands.

The paper is structured as follows. First, we set out the links between the two key concepts of branding and the CoO effect. Based on this review we derive propositions to put forward our theorised relationship between CoO effect and brand creation. In the third section we set out the methods that were employed, including the research design, data collection, and data analysis. Finally we present our findings and conclude with a discussion of our findings reflecting back on our initial propositions.

2. Theoretical framework

In order to set out our theoretical framework and the resulting propositions, we review key literature on branding and CoO effects, and their contextualisation in research on sport management and marketing. Furthermore we discuss previous studies that relate the concepts CoO and brand creation to each other. Based on this literature review we derive propositions that we later test using empirical data gathered in two sporting goods sectors which compete on the basis of brands.

2.1. Brand concept(s)

The practice of branding has been deployed for centuries as a means for producers to distinguish their goods against those of competitors by creating a recognisable and memorable image. Since the early 1950s, brands have constituted an important concept in consumer behaviour and marketing research for scholars and practitioners. Brands are ubiquitous in the everyday life of consumers and a brand is widely considered to be the most important asset of a company (Keller, 1993). A review of the marketing literature reveals a number of conceptual refinements to define the consumer's perceptions linked to a brand, such as brand knowledge, brand equity, brand image, brand association or brand awareness (Chanavat, Martinent, & Ferrand, 2009).

Customer knowledge about brands creates the main source for customer-based brand equity and is composed of brand awareness which relates to consumers' ability to recognise and recall the brand (i.e., whether, and when, consumers know the brand), and brand image which consists of consumers' associations and perceptions for the brand (i.e., what are the semantic associations that consumers have with the brand) (Keller, 2003). Brand awareness "*is related to the strength of the brand node or trace in memory, as reflected by consumers' ability to identify the brand under different conditions [. . .] in particular brand name awareness relates to the likelihood that a brand name will come to mind and the ease with which it does so*" (Keller, 1993, p. 3). Brand awareness can be measured through brand recall or brand recognition. Brand recall "*relates to consumer's ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other type of probe as a cue*" (Keller, 1993, p. 3), while brand recognition "*relates to consumers' ability to confirm prior exposure to the brand when given the brand as a cue*" (Keller, 1993, p. 3). Second, Keller (1993) advanced the idea that brand image is defined by the sorts of brand associations that consumers hold in their memories, which are in turn defined by each brand's attributes and benefits, and the customer's attitude towards those. Attributes represent product-related elements, which are those necessary for the product or service to perform, and non-product related elements, which are external aspects of the product or service that relate to its purchase or consumption. Benefits are related to the personal value which consumers assign to the product or