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Country-of-origin effects in consumer processing of advertising claims

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Abstract

We propose that country of origin has a dual impact on product evaluations, acting as informational cue, but also as source variable, moderating the impact of ads on product evaluations. In support, we find a direct effect of country of origin on product evaluations, and a three-way interaction between country of origin, claim favorability and ad involvement. Further analyses show that country of origin influences the way in which consumers respond to moderate and extreme claims under conditions of low and high ad involvement. The dual impact of country of origin on consumer behavior emphasizes its relevance to (international) marketing.

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1. Introduction

Consumers differentiate between products from different origin countries, a phenomenon that has become known as the country-of-origin effect (for reviews see [Agrawal & Kamakura, 1999](#); [Verlegh & Steenkamp, 1999](#)). The country-of-origin effect is rooted in consumers' images of the quality of specific products marketed by firms associated with a country of origin. These images have been referred to as

product–country images ([Heslop & Papadopoulos, 1993](#)), and may be based on actual product experience, but also on information gathered through advertising and other sources of product information, including word-of-mouth and articles in the popular press.

Previous research on country-of-origin effects has examined the composition of product–country images (e.g., [Han, 1989](#); [Roth & Romeo, 1992](#); [Verlegh, 1999](#)), and how consumers use country of origin as a cue for determining product quality — either by itself, or in conjunction with other product information (e.g., [Häubl & Elrod, 1999](#)). These studies have shown that consumers use product–country images as a cognitive

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shortcut when evaluating products, especially when other information is scarce (Verlegh & Steenkamp, 1999). Country of origin has a greater impact on product evaluations when consumers are less motivated to process available information, for example when involvement is low (Han, 1989; Maheswaran, 1994). Erickson, Johansson and Chao (1984) found that country of origin may bias consumers' product beliefs. They found for example that perceptions of cars' economy were biased upward for Japanese cars, while perceptions of the quality of the cars were biased upward for German cars. Johansson, Douglas and Nonaka (1985) build on this study and confirm that country of origin affects consumers' product attitudes by biasing their perceptions of particular attributes like gas mileage or driving comfort. The authors also find that this bias is stronger when product knowledge is low.

The present study extends this research by examining whether country of origin has a dual role when it is presented in conjunction with other product information (i.e., advertising claims). We propose that country of origin does not only act as an informational cue, but also affects consumers' interpretation of advertising claims. This view extends the research of Johansson and colleagues (Erickson et al., 1984; Johansson et al., 1985), who showed that country of origin biases perceptions of product attributes. We use the term "source effect" to refer to the proposed moderating influence (cf., Goldberg & Hartwick, 1990). The persuasion literature (e.g., Eagly & Chaiken, 1993; Petty, Wegener & Fabrigar, 1997) has examined a dual role for several elements of (advertising) messages, but not for country of origin, although Keller (2003) recently suggested that theories on source credibility may be used to achieve a better understanding of country-of-origin effects.

To illustrate the dual role of country of origin in product evaluations, consider an ad for a car made in Russia. Based on actual experience or information obtained from other sources, consumers may have a negative a priori image of the quality of cars made in Russia. The product information supplied by claims in the ad may be used by consumers to update their judgments of Russian cars (cf., Gatignon, 1984). The extent to which consumers use the claims in the ad to update their image of Russian cars will increase with the amount of attention given to the ad (i.e., their level

of ad involvement — McKenzie & Lutz, 1989; Petty & Cacioppo, 1986). In addition, however, the a priori image of Russian cars will affect the perceived credibility of the claims in the ad, especially when consumers are involved with the ad and process it more carefully (cf., Goldberg & Hartwick, 1990).

In the remainder of this paper, we examine two ways in which country of origin can influence product evaluations: as an informational variable, and as a source variable. We also discuss the role of ad involvement in both types of influences. In the empirical part of our paper, we present an experiment in which we test hypotheses derived from this framework. Our study uses a fairly large and representative sample of consumers. The paper concludes with a discussion of our findings, and their implications for the study and use of country of origin as a marketing tool.

2. Informational and source variable roles of country of origin

2.1. Country of origin as product information

Consumers have (often well-developed) product-country images, i.e., sets of associations related to quality and other attributes of products from a specific country of origin. For a given country, this image and its valence may vary across products, so that it is best defined at the level of product categories (Balabanis & Diamantopoulos 2004; Gürhan-Canli & Maheswaran 2000). A large body of research shows that consumers use product-country images as information when they evaluate products. This results in different evaluations of identical products with different country-of-origin labels, even when additional product information is presented (for reviews, see Agrawal & Kamakura 1999; Verlegh & Steenkamp, 1999).

H1a. Products from a country with a relatively favorable product-country image will be evaluated more positively than products from a country that has a relatively unfavorable product-country image.

Country of origin is often presented together with advertising claims that contain product information. Dual-process models like the Elaboration Likelihood Model (Petty & Cacioppo, 1986), and the Heuristic

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