

2nd GLOBAL CONFERENCE on BUSINESS, ECONOMICS, MANAGEMENT and
TOURISM, 30-31 October 2014, Prague, Czech Republic

Country-of-Origin Effects on Perceived Brand Positioning

Cristea Adina ^{a*}, Capatina Gabriela ^a, Stoenescu Roxana-Denisa^a

^a Bucharest University of Economic Studies, Romana Square 6, Bucharest 010374, Romania

Abstract

A brand's country-of-origin can influence the brand's perceived positioning by reducing perceived risks, acting as a guarantee and enhancer for the positioning strategy. Thus it can influence consumers' buying decision process and offer a significant competitive advantage. At the other end of the spectrum, country-of-origin associations can negatively affect the brand positioning strategy. Consumer perceptions regarding the brand's country-of-origin must concur with product category associations in order to avoid negative country-of-origin influences on the brand's perceived positioning. This article reviews the main country-of-origin moderating factors and analyzes their influence on consumers' brand perceptions at a cognitive, affective and normative level. We explain country-of-origin effects on the buying decision process from the means-end-theory perspective. We further analyze the possible implications of country-of-origin moderating factors on brand positioning bases. Finally, we review the managerial implications of country-of-origin moderating factors on brand positioning strategy. We suggest further directions for enhancing positive country-of-origin associations, while minimizing negative associations and creating an optimal congruence between the country-of-origin and the brand positioning elements.

© 2015 The Authors. Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Selection and/ peer-review under responsibility of Academic World Research and Education Center

Keywords: country-of-origin, brand positioning, positioning strategy, perceived positioning.

1. Introduction

Country-of-origin is an important factor in influencing consumers' brand evaluation, perceptions and purchasing behavior. Thus it can offer brands a significant competitive advantage. Numerous studies have emphasized the positive effects that country-of-origin confers to products, such as perceived quality, familiarity with the product (Thakor & Lavack, 2003) or transfer of certain country perceptions and values as a halo effect (Piron, 2000). Brand

* Cristea Adina. Tel:+4-35-34-34-3
E-mail address: adina.cristea87@gmail.com

origin can provide a strong competitive advantage in creating a favorable brand image. A country with a positive image is an enhancer for product positioning, reducing the perceived risk related to product acquisition.

However, country-of-origin effects have often lead to unsuccessful associations of product images and country images, due to incongruent positions detained by each in consumers' minds. Some studies highlight the multidimensional nature of country-of-origin effects (Chryssochoidis et al., 2007), explained by differences in country related economic, socio-cultural, political and technological factors. Consumers tend to have a positive bias towards products manufactured in developed countries and a negative bias towards those produced in underdeveloped countries. However, these perceptions may change over time due to technological advances, personal lifestyle or more sophisticated marketing techniques (Chuin & Mohamad, 2012).

Product positioning is implemented through the marketing mix, but it is also influenced by various other factors. This study analyzes the influence of country-of-origin moderating factors on consumers' product perceptions, focusing on their significant influence on brand positioning. The article aims to explore on a cognitive, affective and normative level the country-of-origin induced effects on product evaluation.

2. Background of country-of-origin effects

Thakor and Kohli (1996) defined the concept of brand origin as “the place, region or country to which the brand is perceived to belong by its customers”. Country-related aspects are cultural identity, political climate, language, history, landscape, economic and technological development, religion and people (Kaynak et al., 2000). Based on these elements, country-image can be viewed as an operational concept: a variable, a holistic network, a complex of beliefs, an attitude construct and a triple-component attitude construct (Brijs et al., 2011).

Lampert & Jaffe (1998) stated that country image can be viewed as an asset when it has a positive connotation and as a liability when it is associated with negative elements. Previous research indicates that a „match” between country-of-origin and product category associations is needed to avoid negative spillover effects. The type of product associated with its country-of-origin is therefore essential. For example, France has a positive image when it comes to wine, fashion or perfumes, while its association with cars and high technology products is less positive. Country images may contain contradictory associations, being therefore relevant which associations are activated in relation to a specific product or product category. For example, the Unites States of America is considered a strong brand, but has nevertheless certain negative associations. However, these negative elements have not managed to reduce its perceived product attractiveness (Morgan et al., 2004). On another note, many untapped positive country-of-origin associations exist. Turkey has developed a reputation regarding the product category of carpets, but has not yet leveraged this product reputation for creating a strong brand reputation. This situation reveals a country which can provide a strong product image, but a weak brand image (Diamantopoulos et al., 2011). One can conclude that the effects implied by a certain country-of-origin are both product category specific and also country specific (Lampert & Jaffe, 1998).

3. Implications of country-of-origin moderating factors on brand positioning bases

Brand positioning is defined as “the act of designing the company's offer and image so that it occupies a distinct and valued place in the target consumer's mind” (Keller et al. 2011). It is mainly the process through which a brand aims to be perceived as distinct and offering superior value in relation to competitors. Successfully managing consumer perceptions is thus essential for effective brand positioning. In the positioning process, a product becomes significant for the consumer, through the creation of strong, favorable and unique brand associations (Keller et al. 2011). Based on brand positioning, marketers aim to attain positive brand equity.

As positioning is based on consumer perceptions, it only partially resides under marketers' control (Dib et al. 1997). Therefore, the desired, communicated and perceived positioning may frequently differ, the incongruence being caused by both internal and external factors (Blankson, 2004). Individual factors explain how consumer interpretation of positioning elements may differ as a result of personal characteristics, objectives, values, consuming patterns and previous experiences (Schiffman & Kanuk, 2007). Effective positioning may be influenced by a series of external associations, related to competition, cultural or social factors. Moreover, in a global context, international positioning raises new positioning challenges, such as managing country-of-origin effects. Country-of-

Download English Version:

<https://daneshyari.com/en/article/981425>

Download Persian Version:

<https://daneshyari.com/article/981425>

[Daneshyari.com](https://daneshyari.com)