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DOI (link to publication from Publisher):
10.5278/vbn.phd.socsci.00007

Publication date:
2014

Document Version
Publisher's PDF, also known as Version of record

COUNTRY-OF-ORIGIN EFFECT AND CONSUMER BRAND PERCEPTION:

A DEVELOPED AND EMERGING MARKET PERSPECTIVE

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DISSERTATION SUBMITTED 2014

AALBORG UNIVERSITY
DENMARK

International Business Centre

Country-of-origin effect and consumer brand perception:

A developed and emerging market perspective

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Academic dissertation for the degree of Doctor of Philosophy

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Thesis submitted: 2014

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PhD Series: Faculty of Social Sciences, Aalborg University

ISSN: 2246-1256
ISBN: 978-87-7112-238-1

Published by:
Aalborg University Press
Skjernvej 4A, 2nd floor
DK – 9220 Aalborg Ø
Phone: +45 99407140
aauf@forlag.aau.dk
forlag.aau.dk

Acknowledgement

Writing this dissertation has been a rewarding journey both professionally and personally. As a researcher I became conscious of the different opportunities that the life as a PhD student offers and in the same time I realized, more than ever, how much I have evolved as a person. The PhD process over the last three years has helped me to widen my mindset and to acquire skills which, I know will benefit me greatly in the future. I express my sincere gratitude to many people without whom writing this dissertation would have not been possible.

First of all, I would like to express my special appreciation and sincere thanks to my supervisor Professor John Kuada, you have been a tremendous mentor for me. Your continuous support and advice throughout the PhD process has been priceless, and I am very thankful to you. I will never forget your calming words, encouragement and valuable advice you have given me whenever I stepped into your office for guidance, helping me regain my positive energy in times of struggle. By virtue of your comments and suggestions I proudly managed to develop my research skills and grow into a young researcher with analytical competences.

I would also like to express my sincere thanks to Lartey Lawson, my methods mentor and co-author, who encouraged and supported me through my learning journey of quantitative research methods – your valuable comments and suggestions have helped me tremendously.

I would also like to sincerely acknowledge the assistance and advice of Professor Svetla Trifonova Marinova, for her invaluable constructive comments which helped me finalize my dissertation and research articles. Special thanks go to my fellow colleagues at the International Business Centre. I would like to thank Olav Jull Sørensen, Romeo Turcan, Arnim Decker, Jeanne Sørensen, Yimei Hu, Li Thuy Dao, and Reimer Ivang for their suggestions and inputs for my papers. Additionally, I would like to express my appreciation towards the PhD students: Jonas Eduardsen, Daojuan Wang, Mohammad Rana, Karina H. Jensen, Marisol S. Jensen and Jimmi N. Kristiansen, as well as the administration staff: Birgitte Krogner and Michael Simonsen. All of you have been there to support me in one way or another throughout my PhD period, whether it was valuable talks concerning life or sharing ideas about our dissertations, you really made me feel that caring is sharing and for that I am grateful.

A special thanks to my family. Words cannot express how grateful I am to my mother Ana, my father Dumitru and my always warm-hearted brother Adrian. For all the support you have given me in writing my dissertation, I am thankful. Although far away, you were always closest to my heart, and always in my mind. To my friends, thank you for your kindness, support and encouragements!

Last but not least, my warmest thanks go to the love of my life, my husband Florin, whose encouragements have always given me the strengths that I needed. Thank you for your continuous support and your everlasting love!

Andreea I. Iacob

May 2014

Abstract

This dissertation investigates the impact of country of origin (COO) on the brand perception of consumers from developed and emerging countries. Particularly, the aim is to explore the impact of the country of origin on the Western (Danish) consumers' brand perception of high involvement products with multiple countries of origin and the Central Eastern European (CEE) consumers' brand perception of low involvement products from developed countries. It comprises a summary report, consisting of an introduction, a methodology chapter, a conclusions chapter and four research papers.

The research output consists of a quantitative data analysis based on self-distributed questionnaires to respondents representing regular consumers from Romania and students studying at Aalborg University, Denmark. Furthermore, it draws on existing knowledge of the COO effect on brand perception as laid out in the 77 articles reviewed in Paper I of this dissertation. The systematic literature review revealed that there is some inconclusive evidence on how the country of origin of a product impacts the consumers' perception of brands from developed and emerging markets. The review suggested that there are some inconclusive results on two specific topics: multiple COO effect on brand perception and the relationship between COO, consumer ethnocentrism and brand perception, which will be addressed in the 3 empirical papers.

Thus, paper II tests whether the country-of-origin sub-components are important in the evaluation of an unknown brand of a product with Western and non-Western countries of origin. The sub-components consist of: the country of design, the country of assembly and the country of parts, all of which combine to establish countries of origin. The results suggest that brand perception and product is dependent on the COO sub-components, and the Danish respondents are more likely to evaluate high involvement products, (in this case, a laptop), more favorably if it is designed and/or assembled in a developed country like Denmark or the USA.

Paper III tests the link between consumer ethnocentrism (CE), COO, demographics and the implication on the Romanian consumers' evaluation of a Danish beer brand, Tuborg. The results suggest that the interaction between COO and the CE component "Support Romanian Economy" and their impact on the consumers' brand perception was proven significant. Furthermore, a developed country of origin has a significant impact on the consumers' perception of the beer brand, and the Romanian respondents are more likely to evaluate a low involvement product (in this case, a beer), more favorably if it has a Western country of origin.

Finally, paper IV draws further upon the ethnocentric tendency of the Romanian consumer and introduces a new dimension, that of communist ideology and its impact on brand perception. The results suggest that there is a strong relationship between consumer ethnocentrism, ideological orientation and brand perception, where respondents who shared communist ideological orientations are more likely to support policies that emphasise ethnocentric tendencies.

Keywords: Country of origin, brand perception, consumer ethnocentrism, multiple countries of origin, ideology, low involvement products, high involvement products, Denmark, Romania.

Resumé (Danish Summary)

Formålet med nærværende Ph.d.-afhandling er at afdække, hvorledes mærkevareopfattelsen hos forbrugere fra henholdsvis udviklede og fremspirende lande, påvirkes af produkternes oprindelsesland (country-of-origin). Mere præcist undersøges det hvorledes oprindelseslandet påvirker vestlige (danske) forbrugeres opfattelse af høj-involveringsprodukter med mere en ét oprindelsesland samt central- og østeuropæiske forbrugeres mærkevareopfattelse af lav-involveringsprodukter med vestlig oprindelsesland. Afhandlingen indeholder fire forskningsartikler, samt en sammenfattende redegørelse bestående af en introduktion, et metodekapitel samt en konklusion.

Omdrejningspunktet for afhandlingen er en kvantitativ analyse, som er baseret på en spørgeskemaundersøgelse blandt rumænske forbrugere samt danske studerende ved Aalborg Universitet. Afhandlingen tager sit afsæt i eksisterende viden om effekten af oprindelsesland, som sammenfattet i den systematiske analyse af litteraturen på området i artikel I. Den systematiske litteraturgennemgang, som bygger på 77 artikler, viste at resultaterne af hidtidige studier, der har til formål at undersøge hvorledes produkters oprindelsesland påvirker forbrugeres opfattelse af brands fra henholdsvis udviklede og fremspirende lande, har været tvetydige. Resultaterne af eksisterende forskning har specielt været tvetydige indenfor to områder: konsekvenserne ved at have mere end ét oprindelsesland for forbrugernes mærkevareopfattelse samt forholdet mellem oprindelsesland, forbrugeretnocentrisme og mærkevareopfattelse. Disse områder vil blive behandlet i de tre empiriske studier.

Artikel II undersøger, hvorvidt oprindelseslandet for design, montering, samt komponenter, er væsentlige for forbrugernes evaluering af et ukendt brand, med både vestlig og ikke-vestlig oprindelse. Resultaterne viser, at forbrugernes mærkevareopfattelse er afhængig af oprindelseslandet for design, montering samt komponenter. De danske respondenter er mere tilbøjelige til at evaluere høj-involveringsprodukter (i dette tilfælde en bærbar computer) positivt, hvis de er designet og/eller samlet i et udviklet land, såsom Danmark eller USA.

I artikel III undersøges forholdet mellem forbrugeretnocentrisme, oprindelsesland, befolkningsudvikling og konsekvenserne for rumænske forbrugeres vurdering af et dansk ølmærke (Tuborg). Resultaterne antyder, at oprindelseslandet har signifikant indflydelse på forbrugerenes opfattelse af ølmærket, samt at de rumænske forbrugere er mere tilbøjelige til at være positivt indstillet overfor lav-involveringsprodukter, hvis de har et vestligt oprindelsesland.

Artikel IV tager udgangspunkt i de forbrugeretnocentriske tendenser hos rumænske forbrugere og introducerer en ny dimension – kommunistisk ideologi – og belyser dennes indflydelse på forbrugernes mærkevareopfattelse. Det konkluderes, at der er en stærk sammenhæng mellem forbrugeretnocentrisme, ideologisk orientering og mærkevareopfattelse. Mere præcist viste resultaterne, at forbrugere, som udviser en kommunistisk ideologisk orientering er mere tilbøjelige til at støtte politiske initiativer, der fremhæver etnocentriske tendenser.

Nøgleord: Oprindelsesland, brand perception, forbrugeretnocentrisme, flere oprindelseslande, politisk ideologi, lav-involvering produkter, høj-involvering produkter, Danmark, Rumænien

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1 Introduction

1.1 Research Background

The present dissertation investigates the impact of country of origin (COO) on the brand perception of consumers from developed and emerging countries. It comprises four research papers and a summary report, consisting of an introduction, a methodology chapter and a conclusions chapter.

In the field of International Marketing, the country of origin (COO) is the third most extensively researched marketing concept, preceded only by standardisation/adaptation and entry strategies (Jain, 2007). Consumers usually evaluate a product based on intrinsic cues (taste, design and other product features) and extrinsic cues (price, COO, brand and warranty) (Ahmed and d'Astous, 2008). As an extrinsic attribute, COO is used by consumers in the absence of information of tangible attributes. The concept is conceptualized as the country of manufacture or assembly, identified by "made in" or "manufactured in" labels (Han and Terpstra, 1988).The country of origin of a product is therefore, in some cases, an important piece of information in the consumers' decision-making process (Solomon *et al.,* 2010).

Marketing scholars have studied COO effects in a range of different contexts since the early 1960s. Robert Schooler conducted the first study on the country-of-origin literature in 1965 (Schooler, 1965) and predicted this trend in the field of consumer behaviour. Scholars like Nagashima (1970, 1977), Dornoff *et al*. (1974) or Papadopoulos *et al.* (1987) further investigated the impact of COO on product evaluation. The general understanding brought about by the earlier studies was that the "made in" label stereotype towards a specific country translates into viewing products made in developing countries less favorably than the ones produced in developed countries (Kinra, 2006; Hu *et al.,* 2008; Wang and Yang, 2008).

Academic interest in COO studies waned in the 1980s, partly due to the belief in the convergence of consumers' needs and preferences as a result of the increasing globalisation. The perception was that, over time, consumers had become used to seeing products from different countries and this had reduced the salience of COO effects on their ultimate perception and evaluation of these products (Usunier, 2006; Josiassen, 2009). Furthermore, some scholars suggested that previous research might have overstated the significance of country-of-origin effects, and that other product cues such as price and quality might have stronger effects on consumer product evaluations than country-of-origin information (Johansson *et al.,* 1985). Other scholars noted that the emergence of globalisation blurred the COO issue, thereby rendering it less trustworthy in consumers' product assessments (Samiee *et al.,* 2005). However, the past two decades have witnessed a resurgence of academic interest in the topic, due partly to changes that have restructured the global market place, including the rise of emerging markets and a historic transfer of wealth from West to East. With developed world markets becoming increasingly saturated, multinational corporations (MNCs) have turned to emerging economies such as India, Indonesia, Brazil, China and Mexico as key locations for future growth. According to the Report on Consumer Spending Outlook and Value Creation in the New Global Economy, emerging

markets will add an average of US$1.2 trillion of consumer spending to the global economy per year between 2012 and 2016, while developed markets will only add around US$700 billion. The transition[1] markets from Central and Eastern Europe (CEE), which have also been considered of great interest by Western countries, especially after the collapse of the communist regime in 1989, will add another US$95 billion of consumer spending to the global economy per year. The decrease in economic growth of developed countries compared to emerging countries has provided Western marketers a convincing justification for expanding their business to emerging markets. Thus, Western brands have been encouraged to bid aggressively for market share in these countries, by drawing on the positive COO effects that these developed countries bring with them (Kinra, 2006).

Another emerging trend, besides the shift in consumption from West to East, is that firms from developing markets are targeting Western countries. Almost a quarter of the Fortune Global 500 firms come from emerging markets while in 1995 it was only 4% (The Economist, 2011). One reason why these firms would want to market their products outside their borders, and especially in developed countries, is that selling in developed markets enhances their image in other markets. A good example of this is with certain Brazilian firms, whose main objective when operating abroad is to attain an image-enhancing value, meaning that when a product is sold in a developed market it increases the possibility of the product becoming better known in other developed countries. These advantages of image-enhancing values reduce the liabilities of negative country-of-origin effect, in the sense that if the first developed country accepts a brand, the firms can then use this endorsement to promote the product in other developed countries. Therefore, there is a need to know how consumers from the Western world perceive these companies and their brands (Schaefer, 1997; Hui and Zhou, 2003).

These two developments, coupled with the fact that increasing economic globalisation has led to multi-country production activities, have made consumers more confused about the origin of the products and brands. This trend fundamentally affected the consumers' need for new guidelines on how to make decisions. Thus, the last decade has renewed academic and executive interest in researching the effects and impact of a product's country of origin as an extrinsic cue.

Besides the country-of-origin cue, brand names, with their invisible, intangible and weightless features, have long been regarded as a central extrinsic cue in product evaluation (Tse and Gorn, 1993). The prevailing understanding is that the effects that brands exert on consumers are very similar to those of the country-of-origin effects. Kim and Pysarchik (2000) suggest that favourable brand names can help mitigate negative country image. Since the moderating effect of brands is contingent upon brand knowledge in the case of unknown brands, one key brand association is the country from which the brand has originated (Kinra, 2006). However, when the product is manufactured in a developing country, as opposed to a developed country, the information about the country of manufacture produces a negative effect on product assessment

[1] A transition economy is one that is changing from central planning to a free market.The CEE countries witnessed after the collapse of communism in the late 1980s such a transition to a free market economy.

(Schaefer, 1997). When the brand is unknown to the customer, the influence of geographic provenance on the process of customer choice is found to be greater than the influence generated by the brand itself (Essoussi and Merunka, 2007). Furthermore, brands from developed countries highlight their country of origin as a competitive advantage.

These new developments on the global business scene justify the increased research into the twin topics of country-of-origin effects and brand perception as they relate to consumers' product assessment as well as their international marketing implications. My review of the literature on these topics showed that six issues have received substantial attention in the field of COO effect on brand perception (for a detailed overview of the topics, please see Chapter 2):

1. Relationship between COO and brand evaluation
2. Relationship between COO and purchase intention and brand perception
3. Relationship between multiple countries of origin and brand perception
4. Relationship between COO and consumer ethnocentrism (CE) and brand perception
5. Relationship between COO and quality assessment
6. Relationship between COO and brand equity

My literature review also suggested that academic understanding of these topics remains unsettled. In particular, empirical investigations on the first four topics in different countries during 1993 and 2013 have produced inconclusive results. Many scholars have therefore called for additional research into these issues (see Balabanis and Diamantopoulos, 2008; Samiee*et al.*, 2005; Ahmed *et al.,* 2002; Wang and Yang, 2008). In specific terms, there have been calls for additional research into the relationships between multiple countries of origin and brand perception (Nebenzahl and Jaffe, 1996; Hui and Zhou, 2003; Hamin and Elliott, 2006; Essoussi and Merunka, 2007; Wong *et al.*, 2008; Ahmed *et al.*, 2011; Moradi and Zarei, 2012; Sinrungtam, 2013) and impact of COO and consumer ethnocentrism on brand perception (Yagci, 2001; Kinra, 2006; Liu *et al.*, 2006; Chryssochoidis *et al.*, 2007; Ferguson *et al.*, 2008; Zolfagharian and Sun, 2010).However, the empirical evidence on the last two topics has been fairly conclusive.

1.2 Research Questions and Relationship between the Papers

The empirical investigations reported in this dissertation have been conducted in response to the academic call for additional research into the first four topics of those identified above. I have also argued above that there are new developments in the economic and political contexts of the 21st Century that have led to multi-country production activities. This development has

suggested that consumers in different countries may now have different perceptions on COO sub-components, including country of design (COD), country of assembly (COA) and country of parts (COP). Since previous empirical investigations of multi-country cues have mainly been done in the developed economies of the West, scholars such as Wong *et al.* (2008) have suggested that future investigations of this nature must also include developing countries.

Furthermore, the political developments in the EU, mentioned above, along with the increase of interest in CEE countries in the current global economy, have opened up questions about how consumers in CEE countries perceive Western brands. According to Dmitrovic*et al.,* (2009) there is an emergent ethnocentric tendency among consumers in CEE countries, which becomes a major concern for Western companies which are operating in these markets. As Chryssochoidis *et al.* (2007) and Chu *et al. (*2010) suggest a more thorough examination of COO effect and consumer ethnocentrism with reference to brand names is an interesting area for future research. In addition, in the current global economy, there is increased interest in CEE countries, especially Romania (Central and Eastern European Development Institute Report 2012), in terms of their attractiveness for FDI and the growth in consumer spending over the next three years. This has opened up questions about how consumers in CEE countries perceive Western brands (Beverland, 2001; Pecotich and Rosenthal, 2001; Dmitrovic *et al.*, 2009). Furthermore, recent research suggests that an increasing number of citizens in these societies yearn for the return to the communist era, and nationalistic tendencies seem to manifest themselves in consumer preferences (Demirbag *et al.,* 2010; Siemieniako, 2011). Additionally, some marketing scholars suggest that ideology may be among the causes of ethnocentrism (Schwarzkopf, 2011). Since brand image has been found to be a strong predictor of consumers' attitude to foreign products, investigations into the link between ideology and brand perceptions have also been considered useful (Yagci, 2001).

Based on these considerations, I have chosen three main issues for my empirical research focus:

1. The impact of multiple countries of origin on brand perception.
2. The impact of COO and consumer ethnocentrism on consumers' perceptions of brands from developed economies.
3. The impact of political ideology (e.g. communism) on consumer ethnocentrism and brand perception.

I have formulated the overarching research question as follows:

How does the country of origin impact the brand perception of consumers of brands from developed and emerging markets?

I have further broken this general research question into the following three sub-questions which cover the three main issues for the empirical focus:

RQ1: Are the country-of-origin sub-components—country of design (COD), country of assembly (COA) and country of parts (COP)—of a product with Western and non-Western countries of origin, important in the evaluation of an unknown brand?

RQ2: What is the impact of the country of origin and consumer ethnocentrism of a low involvement product on consumer brand perception in a transitional market setting of Central and Eastern Europe?

RQ3: What is the relationship between consumer ethnocentrism, ideological orientation and brand perception in a post-communist country?

As noted above, the dissertation comprises 4 research papers and addresses different aspects of the effect that the country of origin may exert on the consumers' brand perception. An overview of the 4 papers is presented in Table 1.1.

Paper I is a review article discussing the existing literature on country-of-origin and brand perception. The review has been guided by the following questions:

1. What are the most frequently studied issues in relation to COO?
2. What are the research gaps in the field of COO?
3. What empirical evidence (qualitative and/or quantitative) is available on the relationship between COO and brand perception?

The results of my analysis of the 77 papers reviewed have provided justification for the issues taken up in my empirical investigations. *Paper II* addressed the first research gap I identified. It is titled "Country Image and Brand Perception of Hybrid Products from Emerging Economies". This paper provides additional insights into the relative importance of the three sub-components of country of origin in the consumers' evaluation of an unknown brand with Western and non-Western COO.

The second research gap identified is the impact of the country of origin and consumer ethnocentrism on brand perception. This is addressed in *Paper III*, titled "Country-of-origin effect and consumer ethnocentrism: The brand perception of Romanian consumers concerning a Danish beer brand". The expectations are that improved knowledge about the links between COO, CE and brand perception will improve international marketing managers' ability to craft suitable strategies for their operations in these parts of the world (Chryssochoidis *et al.,* 2007; Chu *et al.*, 2010).

The final area of study of this dissertation focuses further upon the ethnocentric tendency of the Romanian consumer and introduces a new dimension, that of communist ideology and its impact on brand perception. An empirical investigation into the relationship between ideological orientations, consumer ethnocentrism and brand perception in the former communist economy of Romania, is addressed in *Paper IV* of the dissertation, titled, "Relationships between Brand Perception, Ideology and Consumer Ethnocentrism in Post-Communist Romania".

Table 1.1 Overview of the papers included in the dissertation

Title	Authors	Aim	Research strategy	Findings	Dissemination Status
Paper I Country-of-origin effect on brand perception, a systematic review of the literature from the last two decades (1993-2013)	Andreea Iacob	The paper presents an extensive review of the literature on the COO effect on brand perception and traces the importance of the country-of-origin construct, providing an overview of the main research topics in the field.	Literature review	The review of the 77 articles highlighted some inconclusive evidence concerning the relationships between COO and brands/ brand perception.	Accepted for presentation at the Conference titled "Finding solutions to the new challenges of Internationalisation", Aalborg University, Denmark on June 4th- 6th 2014. Under review for publication as a book chapter: "Perspectives on International Business: Theories and Practice"
Paper II Country Image and Brand Perception of Hybrid Products from Emerging Economies	Andreea Iacob John Kuada Lartey G. Lawson	The aim is to empirically test whether the country-of-origin sub-components- country of design, country of assembly and country of parts - of a product with Western and non-Western countries of origin is important in the evaluation of unknown brand.	Hypotheses testing: H_1. A laptop designed and/or assembled in a Western country will receive a more positive brand image than a similar product assembled and/or designed in an emerging economy. H_2. A laptop designed and/or assembled in a Western country will receive a more positive assessment than a similar product assembled and/or designed in an emerging economy H_3. A laptop designed and/or assembled in a Western country will receive a more positive assessment than a similar product assembled and/or designed in an emerging economy	The results suggest that the respondents do find the country of origin important when forming their brand perception or assessing the product; and they also ranked the products with the country of design and assembly coming from developed countries as the highest.	Presented at the "19th International Business Research Conference", Monash University, Melbourne, Australia on November 19th – 21st 2012, and published in the subsequent conference proceedings. Under review with Journal of World Business.

Paper III Country-of-origin effect and Consumer ethnocentrism: The brand perception of Romanian consumers concerning a Danish beer brand	Andreea Iacob	The study examines the impact of country of origin and consumer ethnocentrism of a low involvement product on consumer brand perception in a transitional market setting of Central and Eastern Europe.	Hypotheses testing: H_1: A Western country of origin will have a positive impact on Romanian consumers' beer brand perception. H_2: The higher the degree of ethnocentric tendencies of Romanian consumers, the higher their negative perception of Tuborg beer brand will be. H_3: The Romanian consumers' perception of a foreign beer brand is dependent on such demographic factors as age, education and income	The results show that a developed country of origin has a significant positive impact on the consumers' perception of the beer brand Tuborg. Furthermore, the less ethnocentric consumers are, the less they support the taxation of foreign products and the more they are inclined to buy Romanian products.	Presented at "The twenty-second Annual World Business Congress" held at the National Taipei University in Taipei, Taiwan on June 25th-29th 2013, and published in the subsequent conference proceedings. Under review with Journal of East West Business
Paper IV Relationships between Brand Perception, Ideology and Consumer Ethnocentrism in Post-Communist Romania	Andreea Iacob John Kuada Lartey G. Lawson	The aim is to test the relationship between ideological orientation, consumer ethnocentrism, brand perception and demographic factors in Romania.	Hypotheses testing: H_1: Communist ideology has a direct impact on the Romanian consumers' ethnocentric dispositions. H_2: There is a positive association between the ideological preferences of Romanian consumers and their attitude towards foreign brands. H_3: The more ethnocentric Romanian consumers are the more likely it is that they will have a negative perception of foreign brands. H_4: There is a positive association between the demographic profiles of Romanian consumers and their attitude towards foreign brands.	The results show that consumers who share communist ideological orientation are more likely to support policies that emphasize taxing imports, buying Romanian products and supporting the Romanian economy. The findings suggest a strong association between communist ideology and Romanian consumers' ethnocentric orientations.	Presented at the Conference titled "Revisiting Internationalisation: Dynamics, Diversity and Sustainability", organised by Aalborg University on May31st - June 2nd 2012. Accepted for publication in the Special Issue of Journal of Euromarketing

1.3 Significance of the Study

The most important contribution of this study to the existing literature is that it provides additional insights into the limited empirical knowledge on the following three issues:

1. The relative importance of the three sub-components of country of origin in young consumers' evaluation of high involvement products
2. The links between COO, CE and brand perception involving internationally acknowledged brands
3. The relationship between CE, political ideology and brand perception.

The study also contributes to enlarging the limited geographical spread of the study areas of COO research. Most previous COO studies were conducted in developed countries like the USA and Australia as opposed to transitional or emerging countries. The relatively low number of studies conducted in Western Europe and the small amount of studies conducted in CEE, coupled with the growing interest in these CEE countries, demand a more thorough investigation of the COO phenomenon and its effect on brand perception in these areas, since consumers from both developed and transitional countries inside the European Union have been exposed to more foreign and bi-national products than in the last decade (Essoussi and Merunka, 2007; Parkvithee and Miranda, 2012; Moradi and Zarei, 2012). Such a trend re-opens interest in country-factor research, with a focus on Western consumers' perceptions of brands from non-Western economies, and transitional or developing country consumer perceptions of brands from Western economies (Ferguson *et al.,* 2008; Cayla and Arnould, 2008).

The use of both known and fictitious brands (Danish beer brand Tuborg, and an unknown laptop brand with multiple countries of origin, Apollo) in papers 2 and 3 provides an additional contribution to available knowledge on COO issues. In the case of familiar brands there is still no consensus on whether COO actually matters in the presence of global brands. In addition to this, the lack of study of fictitious or unfamiliar brands leads to an unclear outcome of whether COO has an effect on how consumers perceive potential new brands (Lin and Chen, 2006). Thus, by investigating both well-known and fictitious brands, additional insights can be obtained so that marketing managers can implement effective marketing strategies in those specific areas.

The inclusion of demographic characteristics as having an influence on the impact of COO on brand perception also requires attention. The literature on COO has long indicated that consumer demographics, like age, gender, income, and occupation, play a significant role in country perceptions, and since marketing scholars call for additional research in these fields, further investigation is required (Schaefer (1997; Balabanis *et al.,* 2001; Wang *et al.,* 2004; Samiee *et al.,* 2005). Schaefer (1997) for example, suggests that consumers' age and socio-economic group affects the extent to which they are influenced by the country of origin in product evaluations of lager and sparkling wine. While Ahmed *et al.* (2004) suggest that gender does not seem to affect the magnitude of country-of-origin effects, other studies suggest that men are more prone to be biased against foreign products (Schooler, 1971; Samiee *et al.,* 2005). Furthermore, the existing literature suggests that young people are less ethnocentric and less

influenced by country-of-origin effects. Thus, paper III brings additional insights into the impact of demographic characteristics on COO, CE, and brand perception, in addition to testing the consistency of the findings with previous studies.

In paper IV, the dissertation introduces the term ideology as being the cause of ethnocentrism. The inclusion of ideology among the list of determinants builds on some previous studies that have shown links between ideology and consumer intentions and behaviour (Schwarzkopf, 2011). While brand image was found to be a strong predictor of consumers' attitudes to foreign products, investigations into the link between ideology and brand perceptions have also been considered useful (Yagci, 2001).

These contributions and the limitations of the studies are explored in greater detail in the concluding chapter of the dissertation.

1.3 Key Theories of the Dissertation

This section offers a brief presentation of the key theories of the study, namely (i) country of origin, (ii) brands and brand perception, and (iii) consumer ethnocentrism.

Country-of-origin effect

In general, many consumers hold stereotyped opinions about different countries. A stereotype is, according to Solomon *et al. (*2010), a biased inference of different countries and products, which plays an important role when trying to simplify complex circumstances. For example, consumers typically associate Italy with shoes, Brazil with coffee, Scotland with whisky or France with perfumes. Scholars agree that preconceptions and attitudes towards people of a given country tend to influence consumers' evaluation of products coming from the country (Gurhan-Canli and Maheswaran, 2000; Wang and Yang, 2008). Empirical studies have shown that the COO effect is an obscure, intangible obstacle that a product (or service) confronts when entering a new market. While products from industrialised countries generally enjoy positive country image both at home and abroad, products from emerging market economies suffer liabilities of negative country image (Usunier and Cestre, 2008). When products have multiple countries of origin, they are usually referred to as hybrid products. In these products, the production of parts, product design, and final assembly are assigned to different countries, mainly due to the fact that manufacturing has been largely moved to developing countries and strategic alliances are being formed as a form of inter-firm collaboration.

According to Jaffe and Nebenzahl (2001), the COO is an extrinsic cue and can play two roles in product/ brand evaluation: halo effect and summary construct. Halo effect comes into play when consumers are not familiar with the products of a country, and the country image acts as a "halo" that directly affects consumers' beliefs about these products. This means that stereotypes about that specific country come into the consumer's mind. A general understanding provided by the extant literature is that economic, social, and cultural systems of countries as

well as their relative stage of economic development are used by consumers as stereotypical cues in their evaluation of products and choice behaviour (Tse and Gorn, 1993).On the other hand, when consumers are familiar with a country's products, the summary construct model comes into play, in which consumers infer a country's image from its product information, which then indirectly influences brand attitudes (Han, 1989).

Kim and Pysarchik (2000) suggested that favourable brand names can help mitigate a negative country image and since the moderating effect of brands is contingent upon brand knowledge (Kinra, 2006), in the case of unknown brands, one key brand association is the country from which the brand has originated. However, when the product is manufactured in a developing country, as opposed to a developed country, the information about country of manufacture produces a negative effect on product assessment (Schaefer, 1997). When the brand is unknown to the customer, the influence of geographic provenance on the process of customer choice is found to be greater than the influence generated by the brand itself (Essoussi and Merunka, 2007).

Brands and brand perception

In today's global market place, the most important skill exhibited by professional marketers is the ability to enhance and maintain brands. Since the earliest days of marketing, brands have helped in identifying the source of a product and allowed consumers to distinguish between the performance of a manufacturer or distributor (Kotler and Keller, 2012). According to the American Marketing Association, cited by Kotler and Keller (2012:263), the brand is defined as "a name, term, sign, symbol, or design, or a combination of them intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors". Monye (1997) further states that a brand is a symbol of quality, reliability, performance, and assurance, and can be described as anything which identifies a firm's goods or services and distinguishes them from competing products or services.

According to Kapferer (1997), a brand encompasses four functions for consumers: *identity*, because it guides consumers when making a choice and indicates a product's origin; *practicality*, since it provides a summary of information about different product characteristics; *personal guarantee*, due to the fact that it allows consumers to express their individuality when purchasing a specific branded product; and finally, *entertainment*, since the brand allows the exercise of free choice and enables consumers to satisfy their need for surprise. For the producer, a brand has the following functions: it helps position the product within the competitive scene and capitalises the image and advertising expenditures over the long term.

The term that denotes the consumers' beliefs and attitudes towards brands is called brand perception. Kotler and Keller (2009:183) define perception as the "process by which we select, organise, and interpret information inputs to create a meaningful picture of the world". There are three stages that form the process of perception: exposure, attention, and interpretation (Solomon *et al.*, 2010). Exposure refers to the immediate response of our sensory receptors (sights, sounds,

smells, tastes, and textures); attention denotes the degree to which consumers focus on certain stimuli in their surroundings (Internet, newspapers, TV ads); and finally, interpretation denotes the phase where consumers assess what the stimuli actually mean to them and a decision can be made on whether a brand is considered of quality or not.

Brand names, with their invisible, intangible, and weightless features, have long been regarded as a central extrinsic cue in product evaluation (Tse and Gorn, 1993). The authors further noted that the effects that brands exerted on consumers were very similar to those of the country-of-origin effects, since brands have a significant effect on both low and high involvement products (e.g. Sony, being a well-known brand is rated more favorably than an unknown brand like GIW). Other authors have found that the effect of the brand name can overcome the COO effect, when it comes to well-known brand names. In this regard, an appropriate brand name deploys a significant impact in the successful introduction of new products (Dong and Helms, 2001). As a concluding remark, *a brand* is a sensitive asset of symbols, suggested and maintained by diversified marketing communications: sponsoring, advertising, communication, public relations, communication through the product itself or even the style of outlets. *Brand perception* denotes the consumers' beliefs and attitudes towards certain brands and can be explained through stimuli, which are influenced by the individuals' biases, needs and experiences (Kotler and Keller, 2012).

Consumer ethnocentrism

Previous research on the COO effect on consumer behaviour also introduced the term of consumer ethnocentrism as being the cause of its appearing (Chattalas*et al.,* 2008). COO research has shown that consumers from a developed country tend to appreciate domestic products more favorably than imported ones, leading to a greater degree of ethnocentrism and thus a higher tendency of rejecting foreign products (Lee and Ganesh, 1999; Wang and Chen, 2004; Chryssochoidis *et al.,* 2007). The reverse has been observed in developing countries, where consumers perceive Western products as superior.

The term "ethnocentrism" was first introduced by Sumner (1906) in his publication about Folkways, and represents "the view of things in which one's own group is the center of everything, and all others are scaled and rated with reference to it" (Sumner, 1906: 187).The concept was regarded as a sociological concept to distinguish between in-groups and out-groups. Shimp and Sharma (1987) reformulated CE to suit the field of marketing and consumption motivation. They defined CE as the "individual tendency to view the purchasing of imported products as wrong as it hurts the domestic economy and is not congruent with their in-group feelings of patriotism and belongingness to their societies" (Shimp and Sharma, 1987: 280). It leads to overestimating the quality of locally made products while underestimating the quality of foreign-made products (Erdogan and Uzkurt, 2010). Thus, CE refers to the perception that consumption of imported goods is wrong and unpatriotic, as it may cause the home country's brands, businesses, employment and other interests to suffer. So, the more importance a

consumer assigns to the fact that a product is produced in their home country, the greater the degree of ethnocentrism.

1.4 Dissertation Structure

The dissertation consists of seven chapters. Figure 1.1 presents the overall structure of the dissertation by looking at Arbnor and Bjerke's (1997) stages of understanding.

Figure 1.1 Dissertation structure

The first stage of understanding is the *pre-understanding stage*, consisting of the orientation of the researchers in relation to the experiences and knowledge from their personal and/or professional life. Arbnor and Bjerke (1997), claim that a historical study of the organisation of interest is required in this matter. This phase encompasses the introduction chapter, where a pre-understanding is developed mainly through my personal and academic experiences. The pre-understanding box shows the fact that by analysing the research questions, the study area and the level of ambition can be undertaken. The study area is represented by looking at the effect that COO might exert on brand perception. This brings us to the level of ambition of the study, which, according to the sub research questions, means firstly to explore whether country-of-origin sub-components are important in the evaluation of an unknown brand in a developed country, i.e. Denmark; secondly, the impact of country of origin on consumer brand perception in Central and Eastern Europe; and thirdly, to test the relationship between consumer ethnocentrism, ideological orientation and brand perception of a post-communist country, Romania. Furthermore, the pre-understanding of the dissertation is formed through the literature review, where past literature on the topic is analysed (chapter 2). Furthermore, the methodological viewpoint is also taken into consideration in chapter 3, where the rationale and the philosophical assumptions that underlie this study are discussed. The methodological steps

and methods of conducting the research including quantitative techniques are also introduced with the aim to meet the purposes and objectives of the study.

The understanding, as Arbnor and Bjerke (1997) argue, is a development of an understanding that is shared by the creator of knowledge and the actors. Therefore, by taking the deductive approach as a point of reference, the understanding phase of the study represents the three empirical papers (chapters 4, 5, and 6).

The post-understanding phase is presented in the final chapter, chapter 7, where the main findings of the dissertation will be summarised and the research questions will be reflected upon. Furthermore, the contributions to theory and practice are noted and an enhanced framework for future research possibilities is presented.

2 Paper I: Literature Review

Country-of-origin effect on brand perception – a systematic review of the literature from the last two decades (1993-2013)

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Abstract. *This paper presents the results of a systematic review of 77 papers that have studied the links between COO and brand perceptions of consumers from1993 to 2013. The review traces the development of the country-of-origin construct in order to provide scholars and practitioners with an analytical assessment of the existing research on this topic. By following the grounds of the systematic literature, this study seeks to establish a solid base for country-of-origin research review. The findings suggest that the existing knowledge of the impact of the COO effect on brand perception has some conflicting views. Further consumer behavioural studies need to be undertaken in the following areas: relationships between multiple countries of origin and brand perception; COO, CE and brand perception; COO and brand evaluation, and COO, purchase intention and brand perception.*

Keywords: *Country of origin, brand perception, brands, literature review*

1. Introduction

Past research has shown that preconceptions and attitudes towards people of a given country tend to influence consumers' evaluation of products coming from that country (Gurhan-Canli and Maheswaran, 2000; Wang and Yang, 2008). Thus, the country of origin of a product is an important piece of information in consumers' decision-making process. There has therefore been considerable academic interest in studying the effect of the country of origin on consumers' perception of product quality (Solomon *et al.,* 2010). A general conclusion from most of the previous empirical research is that products from industrialised countries generally enjoy positive country image both at home and abroad, while products from the emerging market economies suffer liabilities of negative country image (Usunier and Cestre, 2008).

There have also been studies of the link between the country of origin of products and consumers' brand perception. It has been suggested that brand name can affect quality perceptions in such a way that a well-known brand name can overcome negative country image of the country of manufacture (Haubl, 1996). Some studies have however suggested that multinational production and global branding tend to blur the COO issue. There has also been some empirical evidence suggesting that, for the most part, consumers do not know the correct country of origin of well-known brands (e.g. see Balabanis and Diamantopoulos, 2008; Samiee *et al.*, 2005).Thus, although there is a general acknowledgement among researchers that COO impacts consumer perceptions in various ways and can therefore influence market performance, there are serious disagreements within the accumulated research evidence about the nature and magnitude of the relationships. Despite the disagreements, academic interest in the topic thrived until the 1980s with a large number of published articles and books. This interest began to wane in the late 1980s with the globalisation of markets. Theodor Levitt stated in his article "Globalisation of Markets" that "the result is a new commercial reality - the emergence of global markets for standardised consumer products on a previously unimagined scale. […] Gone are accustomed differences in national or regional preference" (Levitt, 1983:2). The impact of globalisation thus translated into the belief that COO effects are now nonexistent (Johansson and Nebenzahl, (1985). The argument here was that consumers have become used to interacting with products from different countries. Furthermore, consumers were not interested in, or did not know the correct country of origin of different brands (Samiee *et al.,* 2005; Usunier, 2006). This understanding led to the consideration that COO effects are not a major issue in international marketing anymore.

During the past decade however, there has been a revival in academic interest in the subject. Two developments, that have restructured the global market place, have enabled this revival. Firstly, the historic transfer of wealth from West to East and the rise of emerging markets have encouraged Western brands to bid aggressively for market shares in this part of the world (Van Gelder, 2003; Xie and Boggs, 2006). Secondly, firms from emerging markets are targeting Western countries. This suggests that research into how Western consumers perceive these companies and their brands is needed (Essoussi and Merunka, 2007). These two trends coupled with multi-country production activities have made consumers more confused about the origin of the products and brands. These arguments affected the consumers' need for guidelines in their decision making and the COO effect was found to play an important role in this regard (Pharr, 2005).

Several scholars have reviewed the accumulated evidence from past research and have published their results in 9 review articles. These include Samiee (1994) who studied purchase decision processes within the context of source-country influences; Peterson and Jolibert (1995) who conducted a meta-analysis of past COO studies concerning general perceptions about the quality of products made in different counties; Nebanzahl, *et al.*,(1997), Al-Sulaiti and Baker, (1998)who studied the effect of country of origin on consumer perceptions of products and services.; Verlegh and Steenkamp (1999) who examined the cognitive, affective, and normative

aspects of the country of origin. A full overview of these review articles are provided in Table 2.1

All these review papers may be criticised for adopting what Jesson *et al.,* (2011) describes as a traditional or narrative approach which is based on the preconceived notions of what is worth including in the list of papers to be reviewed (see Jorgensen *et al.,* 2006). This is in contrast to a systematic approach to literature review whereby the reviewer engages in a systematic, transparent means of gathering, synthesising and appraising the findings of studies on a particular topic (Jesson *et al.,* (2011:104). Systematic literature reviews are generally considered as fulfilling the scientific requirements for internal validity and the review process usually holds grounds against the possibility of being biased. Furthermore, Petticrew and Roberts (2008) note that a systematic review is of particular value when there is uncertainty about what the evidence on a particular topic shows. These observations have led some COO scholars to call for such a systematic review within the field as well (see Booth *et al.*, 2012). The present review contributes to filling this knowledge gap – i.e. the need for a systematic literature review in COO studies. It has been guided by the following questions:

1. Which countries and products have received COO researchers' attention between 1993 and 2013?
2. What methods of data collection and analysis have researchers adopted?
3. What empirical evidence is available on the relationship between COO and brand perception?
4. What are the main conclusions from these studies?
5. What research gaps have they identified that still need to be addressed?

The study has the additional objective of guiding my own investigations into the relationship between country-of-origin and brand perception in both developed and emerging markets. The period covered is from 1993 to early 2013. The reason is that this period is characterised by a rapid increase of different streams of country-of-origin research, which includes the reinvention of country-of-origin research in terms of brand origin and product-country image, and also an interest in researching the country of origin in relation to services (Dinnie, 2004). Furthermore, the international marketplace was characterised in the early 1990s by structural changes due to the rise of emerging markets, and the growing impact of globalisation on the economic landscape, which have made the country-of-origin factor an interesting research area for practitioners and scholars alike (Pharr, 2005).

Table 2.1 Overview of past literature reviews on the COO phenomenon

Year	Authors	Title	No. of papers reviewed	Objectives	Main conclusions
1994	Samiee	Customer evaluation of products in a global market	N/A	The objective is to rationalise the purchase decision processes within the context of source-country influences by emphasising the role of age, income, education, familiarity with the country of origin and involvement in the purchase of specific products, in explaining differences in the perception of country of origin. Furthermore, it offers a conceptual framework for further development of the construct.	The findings indicated that COO influences the individuals' purchase decisions and that the higher the consumers' educational level, the more unfavourable their perception of products made in newly-industrialised countries is.
1995	Peterson and Jolibert	A meta-analysis of country-of-origin effects	187	Meta-analysis of past COO studies concerning general perceptions about the quality of products made in different counties.	The findings showed that COO has a strong influence on product evaluation, and that the effects are "only somewhat generalisable" and that "the phenomenon is still not well understood" (pp.894).
1997	Nebanzahl, Jaffe, Lampert and Shlomo,	Towards a theory of country image effect on product evaluation	N/A	This paper reviews existing constructs concerning the country image effect and proposes a model where the factors that influence the country image effect are drawn and hypotheses are formulated.	The model suggests that the image of the country of origin of the brand (OC) and the country whose name appear on the product made-in label (MC), affects product evaluations.
1998	Al-Sulaiti and Baker	Country-of-origin effects: a literature review	99	Literature review on the effect of country of origin on consumer perceptions of products and services.	Consumer perceptions differ significantly when it comes to product/service and country of origin, and the question of how much influence the country of origin has in product and service evaluations is still unanswered.

1999	Verlegh and Steenkamp	A review and meta-analysis of country-of-origin research	41	Literature review on the cognitive, affective, and normative aspects of country of origin, while assessing the effect of COO upon perceived quality, attitude, and purchase intentions.	The authors found that country of origin has a larger effect on perceived quality than on attitude toward the product or purchase intention, and that the COO effect is lower when the COO information is presented alongside other information cues like price and warranty information.
2003	Dinnie	Country of origin: 1965-2004. A literature review	50	Literature review focusing on the conceptual development of the country-of-origin construct.	The author identified the main periods in the chronological development of country-of-origin research
2005	Pharr	Synthesising country-of-origin research from the last decade: Is the concept still salient in an era of global brands	50	Review of the impact of COO on product evaluation and other cues like price and brand.	The findings suggested that purchase intention was found to have a direct impact on brand perception, but not on COO. Furthermore, the effect of the brand on the consumer's perception has the same effect as the COO on brand and subsequently consumer perception.
2007	Bhaskaran and Sukumaran	Contextual and methodological issues in COO studies	96	The study investigates and identifies the reasons for contradictory conclusions in past studies of country-of-origin (COO) influences on buyers' beliefs and purchase intentions.	The findings showed that COO cannot be treated as a self-contained marketing strategy, without interacting with other influences on customer beliefs and buying intentions.
2012	Saran and Gupta	Country of origin vs. Consumer Perception: A Literature Review	18	Literature review on the relationship between COO and Brand Origin.	The findings suggested that most COO studies focus on country origin and ignore the brand concept, whereas BO studies consider the branding aspect of the product.

2. Approach

According to Pettigrew and Roberts (2008), there are seven stages in a systematic literature review:

1. Clearly define the question that the review is setting out to answer
2. Determine the types of studies that need to be located in order to answer your question
3. Carry out a comprehensive literature search to locate those studies
4. Screen the results of that search (that is, sift through the retrieved studies, deciding which one look as if they fully meet the inclusion criteria, and thus need more detailed examination, and which do not)
5. Critically appraise the included studies
6. Synthesise the studies and asses heterogeneity among the study findings
7. Disseminate the findings of the review

These steps have been followed in the present review process.

The process started with a systematic search of the ABI/Inform database, where terms "country of origin" and "brand" were used to identify the available published papers within the defined time range. The first hit showed a total of 22.079 journal articles. I then limited my search by including terms like: "country–of-origin effect", "brand perception", "consumer behaviour" as alternative search items in order to capture only the most relevant articles. At the same time, I widened my search from looking only into scholarly articles to also include working papers and conference papers and proceedings. Based on the above criteria 6396 articles were found from 99 journal publications, (searches conducted in August 2013) within 9 research domains according to the ABS journal ranking (ABS version 4, 2010): Marketing, Business Ethics and Governance, Sector Studies, International Business and Area Studies, Social Science, Economics, Business History, General Management, and finally Tourism and Hospitality Management.

The next step into the data search was to identify the top 20 journals within these areas. According to the ABS journal list (2010) all journals graded as four or three publish the most original and best executed research. As top journals in their field, these journals have the highest citation impact factors within their field. In order to extend the research and by applying the backward snowballing approach, journals which are graded 2 or 1, within the field of Marketing, are also taken into consideration. According to ABS (2010), two and one rated journals publish original research of an acceptable standard. In addition to the lower graded journals I also included a number of influential articles through the backward snowballing techniques, by identifying key articles and authors referenced in a number of selected papers. In total, 2163 articles were found that either mention the COO effect or actually discuss it.

The third step was to read all abstracts and keywords of the 2163 articles. The aim was to exclude those articles that were not specifically concerned with country-of-origin effect and brand perception. This process resulted in the selection of 127 articles. After reading the 127 articles, I found 77 of them to be particularly relevant in terms of the objectives of the review. They are from 18 different international journals with most of them from International Marketing Review, The European Journal of Marketing, Asia Pacific Journal of Marketing and Logistics, The Journal of Product and Brand Management, and The Journal of Consumer Marketing. The 77 articles were written by 163 authors, with Ahmed writing as many as 6 articles (5 of them with d'Astous) (see Table 2.2 as well as Appendix 2.1 for an overview of the articles).

Table 2.2 Overview of identified articles

Research Area	Publication title	Number of identified articles
1. Marketing	1. International Marketing Review	16
	2. European Journal of Marketing	11
	3. The Journal of Product and Brand Management	8
	4. The Journal of Consumer Marketing	6
	5. Journal of Brand Management	2
	6. International Journal of Retail and Distribution Management	1
	7. Journal of International Consumer Marketing	5
	8. Psychology and Marketing	1
	9. Journal of Advertising	1
	10. Journal of Retailing	1
	11. Journal of Business and Industrial Marketing	1
	12. Asia Pacific Journal of Marketing and Logistics*	10
	13. Journal of East-West Business*	3
	14. The Journal of Business and Industrial Marketing*	2
	15. Australasian Marketing Journal*	2
2. Sector Studies	16. British Food Journal	1
3. International Business and Area Studies	17. Journal of International Business Studies	3
	18. International Journal of Business and Management*	2
Total number of articles reviewed		77

* Note: Articles that scored a grade of 2 or lower but still found to be of interest for the literature review due to the backward snowballing approach.

3. Findings

3.1 Countries, Product Focus and Methodological Considerations

All the articles were written on the basis of empirical investigations done in 28 countries. Sixty-six of them were based on survey data, 6 were based on interviews and 2 were based on experiments. The USA topped the list of countries in which data were collected with 15 articles; Australia came second with 8 articles; followed by China (7) and then Taiwan (6), India (5). Four articles were written on Japan, Canada, Thailand and Singapore, while 3 were written on Mexico and two each were written on the UK, Lebanon and Malaysia. The following countries had one article each: Austria, Belgium, Germany, France, Russia, Poland, Hungary, Slovenia, Greece, Kyrgystan, Tunisia, Burkina Faso, Ghana, Ivory Coast, Mali, Nigeria, Vietnam, Indonesia, Bangladesh and Iran. Thus, a disproportionate number of articles were written on developed countries with the emerging market economies (including Central and Eastern Europe) distinctly under-represented in the investigations.

Most of the studies focused attention on products (71 articles), predominantly cars (23 articles), clothing (15 articles), electronics (13 articles) and TVs (10 articles). Seven articles were written on computers and food products, while 7 were written on household products and electrical appliances as well as beverages (beer -5 articles and wine -1 article). For services (6 articles), emphasis was put on researching cruise lines, franchising firms, airline travel services, insurance and catering services, toy stores and educational systems.

Well-known brands such as Sony, BMW, and Whirlpool featured prominently among the products studied. However, some of the studies included less familiar brands such as Osborne Computers or Belarus tractors; and fictitious brand names, like Schneider beer and Fiesta chips. The reasoning behind using fictitious brands in direct comparison with well-known brand names is to study the links between consumers' perception of both global and potential new brands and their countries of origin.

Twenty-three of the papers reported studies with a student sample, seeing them as a younger generation of global consumers who have developed a diversity of perspectives and created a patchwork culture that is not indigenous to any one country due to their exposure to worldwide communications via the internet (Walker, 1996; Knight and Kim, 2007). The remaining 52 papers were based on samples of ordinary consumers. The sample sizes ranged from 112 (Kinra, 2006) to 1752 (Sharma, 2011), with response rates falling generally between 20 and 60 percent. Two of the studies had response rates under 10 % (Schaefer, 1997; Balestrini and Gamble, 2006).

Twenty-five of the studies used analysis of variance (ANOVA) as the main statistical tool, 17 used structural equation modeling (SEM), while 9 used a multivariate analysis of variance (MANOVA). Regression and correlations analysis was done for 13 articles. The remaining papers used other statistical tools such as independent and pairwise sample t-tests (5

articles), conjoint analysis (3 articles), chi-square testing and correspondence analysis (2 articles each). Although not all articles showed a clear analytical process, there are some examples of articles which presented clear methodology for their studies. Examples include ANOVA (Ahmed and d'Astous, 1996; Nebenzahl and Jaffe, 1996; Pecotich and Rosenthal, 2001; Pappu, Quester and Cooksey, 2006), SEM (Parameswaran and Pisharodi, 2002; Essoussi and Merunka, 2007; Wang and Yang, 2008; Diamantopoulus *et.al*, 2011), regression (Yagci, 2001) and MANOVA (Pappu, Quester and Cooksey, 2007).

Forty-nine articles specifically stated the scales that the authors have used in their studies. On the whole, two sets of country-based scales were used; one strand of research adopted conventional COO scales while another strand adopted multi-country scales – COD and COM. Consumer ethnocentrism has been tested using the CETSCALE developed by Shimp and Sharma (1987). There were six brand-related scales covering brand image, awareness, equity, loyalty, and personality. There were also four product-related scales and 2 scales testing purchase behaviour and intentions. Table 2.3 provides a complete list of the scales and the articles in which they have been adopted.

Table 2.3 Scales used in the articles reviewed

Scale	**Authors**
COO image	Nagashima (1970), Parameswaran and Yaphank (1987), Darling and Wood (1990), Roth and Romeo (1992), Jaffe and Nebenzahl (1993), Martin and Errol (1993), Pisharodi and Parameswaran (1992 and 1997), Haubl (1996), Chen (2000), Laroche *et al.* (2005).
COD image/product fit and COM image/product fit	Keller and Aaker (1992).
COD and COM	Pisharodi and Parameswaran's (1992), Aaker (1996), Michell *et al.* (2001), Riel *et al.* (2005), Davis *et al.* (2008).
Consumer ethnocentrism	CETSCALE (Shimp and Sharma, 1987)
Brand image	McGee and Spiro (1991), Heimbach (1991) (Nebenzahl and Jaffe (1991) and Gupta and Ratchford (1992), Lee and Bae (1999), Yoo *et al.* (2000).
Brand equity	Aaker (1991, 1996, 1997), Yoo *et al.* (2000), Yoo and Donthu (2001)
Brand loyalty	Yoo *et al.* (2000), Chaudhuri (1995), Aaker (1991).
Brand awareness	Yoo *et al.* (2000) Yoo and Donthum, 2001
Brand profitability performance	Jaworski and Kohli (1993), Lusch and Brown (1996), Moorman and Rust (1999)
Brand personality	(Aaker 1996)
Product evaluation	(Belk and Russ, 1993); Shimp *et al.* (1993), Lim *et al.* (1994), Steptoe *et al.* (1995), Yong (1996), Lee and Ganesh (1999), Gurhan-Canli and Maheswaran (2000) Cervin˜o *et al.* (2005),

	Laroche *et al.(*2005),
Product quality	McGuire (1968), Aaker (1991), Dodds *et al.*, (1991), Keller and Aaker (1992), Chao (1993, 1998), Erevelles *et al.*(1999), Yoo *et al.*, (2000), Ahmed and d'Astous (2004), Ashill and Sinha (2004), Insch and McBride (2004).
Product knowledge	Brucks (1985), Lin and Zhen (2005).
Product involvement	Zaichkowsky (1994), Chin (2002).
Product-origin congruency	Josiassen *et al.* (2008).
Price perception	Kulwani and Chi (1992).
Purchase decision	Edell and Staelin (1983), Mackenzie (1986), (Dodds *et al.* (1991), McQuarrie and Muson (1992), Grewal, Gotlieb and Marmorstein (1998), Chin (2002), Janssens and de Pelsmacker (2005), Ettenson and Klein (2005), Teng and Laroche (2007).
Purchase intention	Dodds *et al.* (1991), Papadopoulos and Heslop (1993), Laroche *et al.*(2005).
Trust	Ganesan (1994), Doney and Cannon (1997).
Perceived favorability	Liu (2001)
Materialism	(Richins, 2004)
Animosity	Klein (2002), Ettenson and Klein (2005), Hoffman *et al.* (2011)
Value consciousness	Lichtenstein, Netemeyer and Burton (1990)
Risk perception	Dholakia (2001), Ahmed *et al.* (2005)
Consumers' aspiration	Klein *et al.* (1998), and Chinen *et al.* (2000)
Need for cognition	Cacioppo *et al.* (1984)
Evaluation of cars	Brucks (1985), Scott and English (1989), Bayus (1991), Gupta and Ratchford (1992), Chaiken and Maheswaram (1994), Thanasuta *et al.* (2009)
Wine knowledge	Bruwer and Buller (2012)
Retailer-perceived brand equity (RPBE) on the customer-based perspective	Aaker (1991), Yoo and Donthu (2001), Keller (2003).
Marketing mix activities as antecedents of RPBE	Yoo *et al.*(2000)
Retailer-perceived quality:	Beatty and Kahle (1988), Dodds, Monroe, and Grewal (1991), Yoo, Donthu, and Lee (2000), Yoo and Donthu (2001)

3.2 Definitions of country of origin

In general terms, the country-of-origin cue was conceptualised by the researchers as a form of country stereotyping which consumers use when other product-specific information is not easily available. In such situations, consumers tend to use their image of people from a particular country as a reflection of the quality of the products made in that country (Haubl, 1996; Knight and Calantone, 1999; Demirbag *et al.,* 2010).

Most of the authors adopted the view that a country-of-origin effect can be related either to the economic stage of the focal country (macro) or products/brands produced in the country (micro). The macro country image is defined by Martin and Eroglu, (1993:193) as "the total of all descriptive, inferential and informational beliefs one has about a particular country". The micro dimension of COO has been related to the "made-in" notion (Nahashima, 1970), which usually denotes the "country of manufacture" where the final assembly of a product is completed (see Chao and Rajendran, 1993; Agbonifah and Elimimian,1999; Javalgi *et al.,* 2001; Darling and Puetz, 2002); Speece and Nguyen (2005); Pappu *et al.*, (2006); Balestrini and Gamble (2006); Ahmed and d'Astous (2007); Thanasuta *et al.* (2009); Chu *et al.* (2010). Others define the COO effect as any influence (positive or negative) that the country of manufacture might have on the consumers' choice behaviour (see: Samiee, 1994; Ahmed *et al.*, 2002; Hamin and Elliott, 2006).

An extension of the last definition was provided by Papadopoulus (1993) who introduced the notion of multiple countries of origin, the country of manufacture, assembly, design, and parts. The multiple COO concept was adopted by authors such as Samiee (1994), Insch and McBride (1998), Ahmed *et al.*(2002), Hamin and Elliott (2006), Essousi and Merunka (2007), Zolfgharian and Sun (2010).

The brand country origin is defined by Thakor and Kohli (1996) as the place, region, or country where the product or the brand is perceived to have originated from.This definition is premised on the view that the place where the product is produced may not be as important as the perceived birthplace that consumers affiliate the brand to (Hui and Zhou, 2003). Studies that adopted this definition include Ettenson (1993), Lim and O'Cass (2001); Jo *et al.*(2003), Hui and Zhou (2003), Paswan and Sharma (2004), Jin *et al.* (2006), Kwok *et al.*(2006) and Thanasuta *et al.* (2009).

Other scholars see the country of origin as the country in which firms locate their corporate headquarters - i.e. the firm's home country (Ahmed and d'Astous (1996), Kinra (2006), Karunaratna and Quester (2007). Table 2.4 provides a summary of the most commonly used definitions of the COO effect.

Table 2.4 COO Definitions used in the reviewed articles

Authors	COO definition	Adopted by the following studies
Nagashima (1970)	The COO is defined as "the picture, the representation, and the stereotype that businessmen and consumers attach to products from a specific country. This image is created by such variables as representative products, national characteristics, economic and political background, history and tradition".	Chao and Rajendran (1993), Agbonifah and Elimimian (1999), Javalgi *et al.* (2001), Darling and Puetz (2002), Speece and Nguyen (2005), Pappu *et al.*, (2006), Balestrini and Gamble (2006), Ahmed and d'Astous (2007), Thanasuta *et al.* (2009), Chu *et al.* (2010).
Thakor and Kohli (1996)	The "origin of the brand" is defined as the place, region, or country where the product or the brand is perceived to have originated from.	Ettenson (1993), Lim and O'Cass (2001); Jo *et al.*(2003), Hui and Zhou (2003), Paswan and Sharma (2004), Jin *et al.* (2006), Kwok *et al.* (2006) and Thanasuta *et al.* (2009).
Johansson *et al.* (1985)	The country of origin is that country where the corporate headquarters of the company marketing the product or brand is located (the company's home country).	Ahmed and d'Astous (1996), Kinra (2006), Karunaratna and Quester (2007).
Papadopoulos (1993)	A product's country of origin is defined as multiple COO- "the country of manufacture, assembly, design, or parts"	Samiee (1994), Insch and McBride (1998), Ahmed *et al.*(2002), Hamin and Elliott (2006), Essousi and Merunka (2007), Zolfgharian and Sun (2010)
Haubl (1996)	THE COI reflects a consumers' general perceptions about the quality of a product made in a particular country, and the nature of people from that country have on the consumers' choice processes or subsequent behaviour	Knight and Calantone (1999), Demirbag *et al.* (2010)

3.3 The Findings Reported in the Articles/ Main research topics

This analysis groups the 77 articles in terms of the focus of their investigations.

As shown in Table 2.5, 24 of the articles focused attention on COO and brand evaluation, 19 on COO, purchase intention and brand perception, 12 on multiple countries of origin and brand perception, 10 on COO and CE and brand perception, 7 on COO and quality assessment, and 5 on COO and brand equity. Fifty-nine of the studies showed that the country-of origin effect can either have a positive or a negative impact on consumer perception, depending on whether the country factor represents developed or developing countries. Fifteen of the studies found that COO has no impact on brand perception or product assessment.

Table 2.5 Main research topics and number of articles per year

Research topic	1993-1997		1998-2002		2003-2007		2008-2013		Total
	Y	N	Y	N	Y	N	Y	N	
COO and brand evaluation	3	2	1	1	7	1	7	2	24
COO and purchase intention	3	1	3		3		7	2	19
Multiple countries of origin	3				1	2	4	2	12
COO and CE	1			2	3		3	1	10
COO and quality assessment	1		3		2		1		7
COO and brand equity					2		3		5
Total	10	3	7	2	16	3	24	7	**77**

* Note: Y (Yes) = significant COO effects on brand perception; N (No)= insignificant COO effects on brand perception

COO and brand evaluation

The country-of-origin effect was found to be more positive for products originating from developed countries than those coming from emerging countries (i.e. Chao and Rajendran, 1993; Haubl, 1996; Agbonifoh and Elimimian, 1999; Magnusson *et al.*, 2001; Sohail, 2005; Pecotich and Ward, 2007; Koubaa, 2008; Josiassen, 2010).For example, Agbonifoh and Elimimian (1999) found that Nigerian consumers evaluate cars and electronics from technologically more advanced countries (UK and USA) more favourably than those from technologically less advanced countries (Ghana, Taiwan and Nigeria). Furthermore, Sohail (2005) studied Malaysian adults' perception of household cleaning products, food products, personal care items, clothing/footwear, furnishing items, electrical appliances and electronics and found that developed country products (Germany) were much more appreciated than developing country products (Malaysia). The study conducted by Pecotich and Ward (2007), with the purpose of investigating the decision-making process of the Australian consumers with respect to a well-known foreign computer brand (IBM) and a not so familiar brand (Osborne Computers), with different countries of origin (Australia, USA, France, China and Morocco), suggested that both novices and experts in the field exhibited a degree of developed country preference. Experts used

the COO information as a summary construct while the novices used the COO information as a halo, regardless of brand name and quality.

Thanasuta *et al.* (2009) quantified the effect of COO and brand names in monetary units, using multiple car brands in Thailand, cars coming from Germany, Sweden, France, Japan, Korea, Malaysia and the USA and found that the German brands are ranked the highest, with Mercedes at the top, BMW second and Audi in third position; the Japanese brands present the same valuation ranges as their American competitors; and finally the luxury car segment has high entry barriers as seen by the positive relationship between market share and the price premium rankings of the top two brands, Mercedes and BMW.

Liu and Johnson (2005) conducted an experiment on US consumers and tested whether Chinese and Japanese country stereotypes can be activated through the presence of COO information and what effects it could have on how consumers perceive multiple computer brands. The result suggested that the participants' categorisation decision was accurate due to the use of the country stereotypes that were activated by the COO cue, while the COO effects occurred without the participant's intention or control.

COO was also found to affect different dimensions of consumer knowledge. The studies of Schaefer (1997) and Phau and Sunttornnond (2006) showed that brand familiarity and objective product knowledge have a significant effect on the use of the COO cue in product evaluation, while subjective product knowledge and personal experience with a brand were not found to have a significant effect on the use of COO in product evaluation. Kumara and Canhua (2010) conceptualised a COO expectation attribute scale in the evaluation of foreign products by Chinese students and found that the derived model of COO expectations was divided between four dimensions: economic, information, conviviality and personality.

In the case of services, Paswan and Sharma (2004) investigated the relationship between COO image and the brand's country of origin from the perception of Indian consumers concerning franchising firms originating in the USA, Germany, Japan and South Korea and found that the accuracy of brand–COO knowledge influences the COO image and helps a brand dominate the consumers' cognitive brand set domain. On the other hand, inaccurate brand COO knowledge leads to a negative image about the COO. Antecedents like social class, education and travel abroad positively influence brand –COO knowledge.

In addition, in the case of low involvement products, there is evidence that COO has an impact on the consumers' perception of products and brands. For example, Ahmed *et al.* (2004) conducted a study on Singaporean students concerning 2 low involvement products (coffee and bread), and found that COO appeared to affect the Singaporean consumers' evaluation of coffee and bread brands, and that developed countries of origin (Switzerland and France) were perceived more favourably than emerging countries of origin (Singapore, Indonesia and Malaysia).

Contrary to the above, some scholars argue that COO has less of an impact on the consumers' overall brand perception (Chao and Gupta, 1995; Ettenson, 1993; Zbib *et al.*, 2010; Bruwer and Buller, 2012). For example, Chao and Gupta (1995) found in a study on US car buyers, involving multiple car brands that COO effects are not present prior to searching for information about a car. On the other hand, COO information proved to be product specific and vehicle category specific, where cars from developed countries, like the USA and some European Western countries, were evaluated more favourably than the ones from emerging economies, which at that time was Japan. Ettenson (1993) found in his study of Polish, Russian and Hungarian TV consumers that brand names and the interaction between COO and brand name recognition played less of a role in consumers' making process. But the study also showed that Polish and Hungarian consumers have a preference for Western TVs over the local ones.

Bruwer and Buller (2012) investigated the COO effect on the Japanese consumers with the 8 best-selling wine brands in Japan and found that the top five cues ranked by the Japanese consumers were taste, style, colour, price and recommendations from friends and family ranking, while COO ranked only seventh. The study also showed that consumers with higher levels of objective knowledge do not use the COO cue more than consumers with lower knowledge. Finally, female consumers were found to be the main wine purchase decision-makers. Similarly, Zbib *et al.* (2010) studied the COO effect of the Lebanese consumers of potato chips from Lebanon, Egypt, Belgium, and the Kingdom of Saudi Arabia, and found that the evaluation of specific attributes did not vary by country of origin. In addition to this, there were no differences in the overall quality perceptions by country of origin. The same authors studied the effect of COO on the Lebanese shampoo consumers of Pantene, Sunsilk, and Palmolive, and found again that there were neither difference in the quality perceptions of the product nor the attribute evaluation of shampoos sourced from different countries.

Country of brand, which is the country where a brand is originally developed, was found to have a higher impact than the actual country of origin. Lim and O'Cass (2001) examined the role of origin on the Singaporean consumers' perception of different fashion clothing brands (Culture-of-brand –origin[2]). The results suggested that Singaporean students can better identify the cultural origin of the brands rather than their actual country of origin, and this is due to the consumers' perception of how well they are acquainted with the brand. Jin *et al.* (2006) investigated whether consumers use brand origin rather than COO cues in evaluating a brand. The brand origin was found to be an identifiable feature for Indian consumers; they have associated the brands with countries where the brands are originally developed rather than with countries in which the products are currently produced. Higher income groups were found to show preference towards foreign brands and those brands originating from a developed country (UK) were perceived to be superior to those from a less developed country (India).

[2]The culture-of-brand-origin becomes available to consumers due to exposure to marketing activities of the brand. Consumers attach certain cultural traits to a brand when information about the foreign country is not available Lim and O'Cass, 2001)

To sum up, there is conflicting evidence of the relationship between COO and brand evaluation. The majority of the articles, which included both products and services in their study, stated that the COO effect has a positive impact on brand perception and that the country-of-origin effect is more positive for products originating from developed countries than those coming from emerging countries (i.e. Haubl, 1996; Agbonifoh and Elimimian, 1999; Magnusson *et al.*, 2001; Sohail, 2005; Pecotich and Ward, 2007; Koubaa, 2008; Josiassen, 2010). On the other hand, Chao and Gupta (1995), Ettenson (1993), Zbib *et al.* (2010) and Bruwer and Buller (2012) argue that COO has less of an impact on the consumers' overall brand perception, mainly due to the fact that consumers identify the cultural origin of the brands instead of their actual country of origin, and this is due to the consumers' perception of how well they are acquainted with the brand. A possible explanation for these two contradictory views lies in the fact that the perceived country of brand is of greater importance for the consumers than the country of origin, usually identified by the country of manufacture. Furthermore, the methodological differences seem to influence the inconclusive evidence since a reliance on a small convenient sample of students, rather than a meaningful consumers sample may lead to biasing the outcome between the research setting and real life situations (Saran and Gupta, 2012).

COO and purchase intention

Many of the reviewed articles studied the effect of summary attributes such as brand name and COO on purchase intention and behaviour (Lundstrom, *et al.*, 1998; Knight and Calantone, 2000; Ahmed and d' Astous, 1993; Lee and Lee, 2011). For example, Lee and Lee (2011) examined the impact of the COO image (China and USA) on the Taiwanese consumers' perception of computers and how to establish a successful brand redeployment strategy for the Lenovo brand after Lenovo acquired IBM. They studied 5 redeployment brand options: (1) as a new brand, (2) as IBM, (3) as solely Lenovo, (4) as IBM-Lenovo, or (5) as Lenovo-IBM). The results showed that the COO image (general country attributes and general product attributes) has a positive and significant influence on purchase intentions after the acquisition. General product attributes were found to play a mediating role between general country attributes and purchase intentions. Ahmed and d' Astous (1993) conducted a study on Canadian and Belgian consumers of cars with the aim to investigate the effects of 3 COOs (Japan, Canada and Russia), 3 brand names (Toyota, Ford, and Lada) and 3 levels of price and service on the consumers' purchase value and found that brand name and COO showed a significant impact on the consumers' overall perception of the brand and their purchase intention. Miranda and Parkvithee (2013) investigated the evaluation and purchase intention of the middle class and working class consumers in Thailand with regard to Thai branded low-fashion apparel made in three Asian countries representing different manufacturing competences. The results showed that if a low involvement product (i.e. t-shirts) with high brand equity is sourced from a developing country of origin, consumers would evaluate higher-end fashion products more favourably than its standard apparel.

Other studies focused mainly on low involvement products (Almonte *et al.*, 1995; Bailey and Gutierrez de Pineres, 1997; Kwok *et al.*, 2006, and Kumar *et al.*, 2009). In a study conducted

on Chinese consumers, Kwok *et al.* (2006) investigated the impact of the COO of different grocery brands on consumer purchase behaviour and found that Chinese consumers prefer buying local Chinese grocery brands rather than foreign ones. Their preference for local brands was mainly due to the fact that the Chinese consumers did not know the true origin of the brands.

Almonte *et al.* (1995) and Bailey and Gutierrez de Pineres (1997) studied Mexican consumers' evaluation of food products from the USA and tested whether the *malinchismo* effect, i.e. the preference to buy American products, was predominant among the interviewed Mexicans. They found that Mexican consumers perceived the Mexican salsa more favourably than the US one. In another study conducted by Bailey and Gutierrez de Pineres (1997), the results showed that there was a tendency for upper-class Mexican consumers to be manifest malinchismo (i.e. a strong preference for U.S. products over local ones).Another factor which was studied in connection to the consumers' purchase intent was the need for cognition (Karunaratna and Quester (2007) and the need for uniqueness and self-concept (Kumar *et al.*, 2009). The need for cognition denotes "a need to structure relevant situations in meaningful, integrated ways" (Cohen *et al.*, 1955: 291), it is actually a tendency for people to engage in and enjoy effortful cognitive activities. Karunaratna and Quester (2007) examined how the need for cognition of Australian consumers influences the degree to which the purchase intention of 3 car brands, Holden, VW and Mazda is influenced by COO components. The results suggested that nationalism influenced the way the consumers evaluated product components for Australian car components. Despite the fact that Holden has a foreign owned status, the brand was still closely associated with the Australian psyche and was the most powerful influencer of purchase intention. The Mazda brand was preferred over VW (which increases as NFC increases), but for every other component system, German components were viewed as superior. Kumar *et al.* (2009) examined the Indian consumers' perception of local and US clothing brands (Levi's) and found out that need for uniqueness and self-concept have an indirect effect on the Indian consumers' purchase intention. The notion of need for uniqueness and self-concept is based on the psychological notion that individuals wish to see themselves as different from others and that certain individuals have a "need for separate identity" or a "need for uniqueness (Kumar *et al.*, 2009: 512).

As in the case of product evaluation, COO seems to have an impact on purchase intention when it comes to services. For example Kabadayi and Lerman (2011) examined the moderating effect of trusting beliefs of US students about a toy store on the effect of two countries of origin, China and Germany. It was found that COO affects product evaluation and purchase intention, in the sense that consumers give less weight to negative COO (China) in the presence of strongly positive trusting beliefs, and on the other hand that the effects of specific beliefs depend on the level of perceived manufacturer risk. In a study conducted by Lin and Chen (2006) the country-of-origin image was found to have a significantly positive influence on the Taiwanese consumer purchase decision of insurance and catering services and that the congruency between country-of-origin image and product knowledge have a significantly positive influence on consumer purchase decision under different product involvement levels. Jimenez and Martin (2012) studied the mediating role of trust in the relationships between a firm's reputation and COO, purchase

intention and consumer animosity. The study suggests that COO significantly impacts a firm's reputation and that animosity towards a country can reduce trust towards that country's firms and products, while trust emerges as a stimulating factor in the purchase behaviour of products from emerging markets.

In contrast to the arguments above in favor of the positive relationship between COO and purchase intentions, there is also some evidence showing that COO has insignificant impact on purchase intention (Johansson *et al.,* 1994; Aiello *et al.,* 2009; Diamantopoulus *et al.*, 2011). Johansson *et al.*(1994) conducted a qualitative study that explored the effect of the COO association on the buying decision of a product from a controversial country. 43 US farmers were interviewed about their buying intention of a new Russian tractor brand, the Belarus, in comparison with other well-known tractor brands from the USA, Canada, Germany, Italy, Finland, South Korea and Japan. The results showed that there were no strong COO effects for the new brand since the farmers relied more on specific product attributes of the new tractor brand. Aiello *et al.* (2009) examined the influence of three different countries of origin (Italy, France and UK) in connection to multiple luxury brands, like Cartier, Chanel, Dior etc., on the consumers' brand perception and purchasing behaviour. They found that in the case of luxury goods, the brand has a much higher influence on product evaluation and purchase intention than the COO. Diamantopoulus *et al.* (2011) found that COO – as reflected both in country image (CI) and product category image (PCATI) perceptions – does not directly impact the UK consumers' intentions to buy a Whirlpool or Haier refrigerator, but CI and PCATI strongly influence purchase intentions through their impact on brand image.

To sum up, the existing empirical research on the relationships between COO and purchase intentions has produced contradictory results. Some studies have shown positive and significant impacts of COO effects on purchase intentions of both high and low involvement products (Lundstrom *et al.*, 1998; Knight and Calantone, 2000; Ahmed and d' Astous, 1993; Almonte *et al.*, 1995; Bailey and Gutierrez de Pineres, 1997; Kwok *et al.*, 2006, and Kumar *et al.*, 2009; Lee and Lee, 2011). Also COO seems to have a positive and significant impact on purchase intention and evaluation of services (Kabadayi and Lerman, 2011; Lin and Chen, 2006; Jimenez and Martin, 2012).In contrast, other studies have shown that the impact is not significant (see Johansson *et al.,* 1994; Aiello *et al.,* 2009; Diamantopoulus *et al.*, 2011). The explanations given by authors of these studies for the weak impact is that consumers tend to rely more on specific product attributes than on the origin of the product in the investigations that they conducted.

Multiple countries of origin

A new strand of country-of-origin research based on the decomposition of product images into relevant COO dimensions emerged in the 1990s. Scholars such as Nebenzahl and Jaffe (1996), Ahmed and d'Astous, (2007) and Essoussi and Merunka (2007), have argued for the decomposition of manufactured product images into country of design (COD), country of assembly (COA), and country of origin of parts (COP).

Among the reviewed articles there is quite a high number of scholars who studied the perception of brand image when the production is sourced multi-nationally (Ahmed and d'Astous, 1995, 1996; Nebenzahl and Jaffe, 1996; Hamin and Elliott, 2006; Essoussi and Merunka, 2007; Fetscherin and Toncar, 2010; Chen and Su, 2012; Moradi and Zarei, 2012; Sinrungtam, 2013).

While testing the impact of COD and COA on brand perception, some scholars found that these COO sub components tended to produce more significant effects than the brand names. For example, Ahmed and d'Astous (1995) examined the impact of COO on Canadian household and organisational buyers' product perception (computer systems, fax machines, cars and VCRs), by looking at the COD and COA. The results suggest that COD is more important in organisational purchases than COA and brand name. In the case of household buyers, COD and COA are equally important, but brand name appears more important than COO. In 1996 the same authors investigated how consumers react to hybrid products in the presence of brand name and other product cues and found that COD and COA information has a stronger impact than brand name on the Canadian consumers' evaluation of quality and purchase value of cars, VCRs and shoes. Similarly, Nebenzahl and Jaffe (1996) conducted a study on VCRs and microwaves with US students in order to measure how the perception of brand image changes when the production is sourced multi-nationally. The results show that the perceived value of a product is a weighted average of its perceived brand and "made-in" country values and the value can be higher or lower than the value of the brand without reference to the made in country.

In a developing market context, Hamin and Elliott (2006) investigated the effects of COA, COD and consumer ethnocentrism (CE) on the Indonesian consumers' quality, price and value perception of airline travel brands, and found that COO was more important than price for both high and low ethnocentric consumers. The high CE respondents preferred the domestic brand over the foreign ones and vice versa. Moradi and Zarei (2012) explored what kind of effects country of brand (COB) and country of manufacture (COM) have on the brand equity formation of Iranian students, concerning laptops and mobile phones from Japan, the USA, Finland, China and Malaysia. They found that those products made in industrial countries with lots of experience are considered to have a higher quality compared to countries that have little experience or those that have just joined the group of industrialised countries.

When testing the effect of the COO sub-components on brand perception, scholars found positive effects either on purchase intentions (Sinrungtam (2013) or brand equity (Chen and Su, 2012). Fetscherin and Toncar (2010) tested the impact of the country of origin of a car brand and the effect of the COM on the US consumers' brand personality perceptions of a US car brand and a Chinese car brand. The COM of a car was perceived to be of a higher influence than the COB. It was found that the US car made in China had a lower brand personality than the Chinese car made in the USA.

Some studies found no significant effect of COO sub-components on consumer product assessment or purchase intentions (Hui and Zhou, 2003; Hamin and Elliott, 2006; Wong *et al.*, 2008; Ahmed *et al.*, 2011). Wong *et al.* (2008) for example, examined the extent to which COD,

COA and COM affect quality perceptions and purchase intentions of Chinese students studying in different Australian Universities, for high involvement products such as cars and digital cameras. The results showed that there is no direct effect of the three COO sub-components on consumer product assessment or purchase intentions for the two high involvement products. Ahmed *et al.* (2011) also examined how Canadian consumers perceive bi-national products (one congruent with Denmark and one not congruent with Denmark). They found that product country congruency has a greater impact on consumer evaluations than COO. Hamin and Elliott (2006) found that brand is the most important factor, followed by COA and COD, while investigating the effects of COA, COD and consumer ethnocentrism (CE) on Indonesian consumers' quality, price and value perception of TV brands (Sony and Polytron). Hui and Zhou (2003) examined the impact of COM on the US consumers' perception of brands (Sony and Sanyo) and brand equity and discovered that COM does not have a significant effect on brand evaluation, when the information is congruent with the brand origin.

To sum up, the reviews show that the available evidence on the impact of multiple COOs on brand perception and consumer behaviour is inconclusive. While some studies found a positive impact of multiple countries of origin on brand perception, others found no significant effect of COO sub-components on consumer product assessment or purchase intentions.

COO and consumer ethnocentrism

Previous research on the COO effect on consumer behaviour also introduced the term of consumer ethnocentrism(CE) as being the cause of its appearing, thus presenting a close relationship between the two terminologies. CE represents an individual tendency to view the purchasing of imported products as wrong as it hurts the domestic economy (Shimp and Sharma, 1987). It may lead to overestimating the quality of locally made products while underestimating the quality of foreign-made products. This perspective has been confirmed in a number of the studies reviewed (see Huddleston *et al.,* 2001; Erdogan and Uzkurt, 2010).

Ethnocentric perceptions also influence consumer behavioural tendencies not only towards local and foreign products in general but also towards brands (Kaynak and Kara, 1997; Vida and Damjan, 2001; Kinra, 2006; Liu *et al.*, 2006; Chryssochoidis *et al.*, 2007; Zolfagharian and Sun, 2010). For example, Kinra (2006) investigated the Indian consumers' attitudes towards local and foreign brands, by looking at the COO effect and ethnocentric tendencies. The findings suggested that foreign brands were perceived by Indian consumers as being more reliable and safe than their local brands. COO credibility was rated high for foreign brands, particularly for consumer durables. With regard to the ethnocentricity level, Indian consumers were not prejudiced against foreign brands; they evaluated them higher on quality, technology, status and esteem than Indian brands.

In a similar context, Liu *et al.* (2006) examined how CE relates to the Chinese consumers' brand evaluation across 3 brand naming strategies of a store sign: Chinese name, English and Chinese name and English and Chinese name with the brands' COO, and found that

a high ethnocentric level has a negative impact on the evaluation of a store sign containing a foreign brand name and a foreign COO. Thus, the interaction between COO and CE on foreign brand evaluation was proven to be significant when the COO was the USA, but insignificant when the COO was Australia.

Also in the case of low involvement products CE affects consumer beliefs, culminating in the appearance of COO-effects (Chryssochoidis *et al.*, 2007).The authors evaluated the level of ethnocentrism of Greek consumers, and investigated the CE-COO effect relationship and implications for consumers' perceptions of imported food products, like beer, ham and cheese. The results showed that CE affects consumer beliefs and how the perceived quality of domestic and foreign products are evaluated, culminating in the appearance of COO-effects. Vida and Damjan (2001) studied the factors underlying consumer choice of domestic vs. foreign products of Slovenian consumers. Their resuts suggested that the relationships between ethnocentric attitudes, familiarity with global brands and consumer domestic purchase decisions of the merchandise was significant.

There were few studies of services in the review. But the available evidence shows relationships between COO attributes and consumers' service evaluation. For example, Ferguson *et al.* (2008) conducted a qualitative study of stakeholders of higher education services in Burkina Faso, Ghana, Ivory Coast, Mali and Nigeria. The results showed that personal characteristics, such as motivation and ability to process information on the one hand, and ethnocentrism and culture orientation on the other, tend to influence the use of COO attributes in evaluating a service.

Some scholars suggested that CE has no influence on the COO effect (Yagci, 2001; Cumberlan *et al*., 2010; Sharma, 2011). For example, Sharma (2011) investigated the role of CE in COO effects for consumers from the USA and the UK with regards to cars and found that ethnocentrism does not interact well with COO and has a weak negative effect on the consumers' product evaluation and behavioural intentions for imported products. Cumberlan *et al*. (2010) suggest that for Polish consumers, the impact of CE is minimal regarding two Danish brands. Yagci (2001) examined whether brand image overrides the effects of CE under different COOs. Brand image was found to be the most important variable in predicting the consumers' attitude toward the product, quality perception, and purchase intention. The findings showed that CE affects brand evaluations when the product is manufactured in its home country (i.e., BMW in Germany). In the relationship between CE and COO, consumer ethnocentrism becomes a significant predictor only when the product is manufactured in a less-developed/liked country (i.e. S. Korea). It was found that CE has a greater importance than COO.

All in all, the reviewed articles that studied the link between COO and CE and their effect on brand perception also produced some inconclusive results. Scholars like Kinra (2006), Liu *et al. (*2006), Chryssochoidis *et al.* (2007), Ferguson *et al.*(2008), Zolfagharian and Sun (2010) found that in connection with the country-of-origin effect, the ethnocentric perceptions indeed showed an influence on consumer behavioural tendencies, not only towards local and foreign

products and services in general, but more specifically towards brands. On the other hand, some scholars suggested that CE has no influence on the COO effect (Yagci, 2001; Sharma, 2011), and consumer ethnocentrism becomes a significant predictor only when the product is manufactured in less-developed/liked countries. The main reason behind this contradictory evidence may lie in the differences in product involvement. Studies which included low involvement products showed a greater relationship between CE and COO, than studies which used high involvement products.

COO and quality assessment

Studies have also been conducted to see the effect of COO on the perceived quality of different products and brands (Lin and Sternquist, 1994; Kaynak *et al.*, 2000; Pecotich and Rosenthal, 2001; Ahmed *et al.*, 2002; Chu *et al.*, 2010). The results generally showed that COO has a positive and direct influence on quality perception. Chu *et al.* (2010) conducted a study on Taiwanese students to determine whether brand image could counter a negative COO of Chinese and Taiwanese laptops. They found that, taken separately, brand and COO are important determinants of consumers' perceptions of quality and favourability and the COO effect was stronger when consumers were exposed to joint evaluation than when they were exposed to separate evaluation processes.

Pecotich and Rosenthal (2001) studied the impact of COO on quality, purchase intentions and price perceptions when CE is manipulated in the presence of brand information. The results showed that although COO had no effect on the respondents' perception of price, their ethnocentricity and purchase intention (when the brand information was available), it had a very strong effect on quality. Furthermore, the COO cue was found to have a significant effect when it was presented together with a strong national brand image. Similarly, Kaynak *et al.* (2000) examined the impact of multiple developed and emerging COOs on quality perception of general food products, electronics and household goods of Bangladeshi consumers. They found that COO positively influenced quality perception; products from developed countries were rated much more favourably than those originating in developing countries. That is, electronic goods from Japan, Germany and the USA were rated most favourably. Food products from the USA, Germany and England were ranked as top choices. Fashion merchandise from the USA, Germany and England were the three top choices. In the case of household goods, the USA, Germany and England were ranked first, and Italy, Japan and Sweden as second and Korea as third choice. Products in general from the USA, Germany and Japan tied for first place, England as second and Sweden as their third choice.

Lin and Sternquist (1994) examined the effects of COO on the Taiwanese consumer perception of product information cues concerning jumpers. COO was found to positively influence the consumers' product quality. The sweater which was labeled "Made in Japan" received the highest evaluation and the one labeled "Made in Taiwan" the lowest.

Balestrini and Gamble (2006) examined the behaviour of Chinese wine consumers towards COO effects and found that COO is more important when the wine is being purchased for special occasions than for their private consumption. Similarly, Speece and Nguyen (2005) studied the importance of COO and individual brand perception and whether price cuts influence negative perceptions of Vietnamese consumers concerning TVs. The results show that brand is the most important in the quality segment, moderately important in the value segment and lowest in the price segment. Sony is the top brand, and its quality is much more appreciated than its price, and people with stronger quality orientation will choose Japanese brands. In the case of services, Ahmed *et al.* (2002) investigated the impact of COO and brand on the Singaporean consumers' quality perception and purchase intention of services, i.e. cruise lines. The results suggested that the COO effect was a more important informational cue than the brand effect for quality or attitude ratings, while brand was more positively correlated with purchase intentions.

To sum up, the findings of the relationship between COO and quality perception have produced fairly conclusive results and show that COO has a positive and direct influence on quality perception, where products and services from developed countries are rated much more favorably than those originating from developing countries.

COO and brand equity

Through stereotyping, consumers associate different countries with intangible attributes like "reliability" and "durability" (Pappu *et al.*, 2006).Researchers have argued that these country-of-origin associations of consumers influence the brand equity dimensions of a brand from a specific country (Pappu *et al.*, 2006, 2007; Yasin *et al.,* 2007; Baldauf *et al.*, 2009; Sanyal and Datta, 2011; Parkvithee and Miranda, 2012). According to Aaker (1991), brand equity is defined as "the value consumers associate with a brand, as reflected in the dimensions of brand awareness, brand associations, perceived quality and brand loyalty". For brands like Sony or Toyota, which are available to consumers all over the globe, the country of origin, Japan, definitely influences consumer-based brand equity in a positive way, since Japan is regarded as a high technology country with a world renowned high quality production history of electronics and automobiles.

Studies by scholars such as Pappu *et al.,* (2006, 2007), Yasin *et al.* (2007) and Sanyal and Datta (2011) have shown that there is a positive relationship between COO and brand equity. For example, Pappu *et al.,* (2006) examined the relationship between COO and brand equity in an Australian context using TV and car brands and found that consumer-based equity of a brand made in a country with stronger product category-country associations (e.g. Japan), was significantly higher than that of the same brand made in a country with weaker product category-country associations (e.g. China/Malaysia). In the same context, Pappu *et al.,* (2007) examined whether there is a relationship between macro country image, micro country image and consumer-based brand equity, and whether these relationships are consistent across different product categories. The results suggested that there is a significant relationship between consumer-based brand equity dimensions and both macro and micro country images of the

brand. For TVs, brand associations had a stronger impact than perceived quality and brand loyalty. Yasin *et al.* (2007) also examined the effects of country-of-origin image on the development of brand equity, and found that brand distinctiveness, brand loyalty and brand awareness/ associations have significant impact on brand equity and COO image significantly impacts brand awareness/associations.

The effect of COO, brand equity and purchase intention on consumers' evaluation of products was also tested by Parkvithee and Miranda (2012), who found that if a low involvement product (i.e. T-shirts) with a high brand equity is sourced from a country of origin of perceived low competence, the superior reputation of the brand encourages consumer partiality to the apparel's quality and purchase inclination. A brand of modest equity, manufactured in an under-developed economy, is capable of gaining greater consumer support for its higher-end fashion products than for its standard apparel.

Finally, Baldauf *et al.* (2009) assessed how ceramic tiles brands are perceived by Austrian retailers (defined as retailer-perceived brand equity–RPBE), by investigating the effect of COO as a driver of RPBE. The results show that there is a positive relationship between product country image and RPBE, and that there is a positive effect of RPBE on brand profitability performance which supports the notion that brand equity is an important intangible firm asset.

In summary, the evidence generally corroborates earlier studies that found a positive relationship between COO and brand equity, i.e. that brand distinctiveness, brand loyalty and brand awareness/ associations have a significant impact on brand equity and that COO image has a significant effect on brand awareness/associations.

4. Summary and Directions for Future Research

The 77 papers reviewed above have covered the following 6 issues: (i) COO and brand evaluation, (ii) COO and purchase intention and brand perception, (iii) multiple countries of origin and brand perception, (iv) COO and CE and brand perception, (v) COO and quality assessment, as well as (vi) COO and brand equity. The available body of empirical knowledge provided by the articles only provided conclusive support for 2 of the 6 issues studied. Generally, the studies found positive and strong associations between COO and quality assessment, as well as COO and brand equity. The evidence for the 4 other issues were inconclusive, but the majority of the articles found that the COO effect has a positive impact on brand perception. COO effect was also found to be more positive for products originating from developed countries than those coming from emerging countries (i.e. Haubl, 1996; Agbonifoh and Elimimian, 1999; Magnusson *et al.*, 2001; Sohail, 2005; Pecotich and Ward, 2007; Koubaa, 2008; Josiassen, 2010).However, Chao and Gupta (1995), Ettenson (1993), Zbib *et al.* (2010), Bruwer and Buller (2012) argue that COO has less of an impact on the consumers' overall brand perception, mainly due to the fact

that consumers identify the cultural origin of the brands instead of the country of origin of the actual finished product. This partly depends on how well they, as consumers, are acquainted with the brand.

With regard to COO and purchase intentions, it was found that the COO image has a positive and significant influence on purchase intentions when considering high involvement products (Lundstrom *et al.*, 1998; Knight and Calantone, 2000; Ahmed and d' Astous, 1993; Lee and Lee, 2011), and low involvement products (Almonte *et al.*, 1995; Bailey and Gutierrez de Pineres, 1997; Kwok *et al.*, 2006, and Kumar *et al.*, 2009). In addition, in the case of services, COO seems to have an impact on purchase intention and product evaluation (Kabadayi and Lerman, 2011; Lin and Chen, 2006; Jimenez and Martin, 2012). That said, other scholars provide evidence indicating a weak relationship between COO and purchase intention (Johansson *et al.,* 1994; Aiello *et al.,* 2009; Diamantopoulus *et al.*, 2011). These studies suggest that brand has a much higher influence on product evaluation and purchase intention than the COO, partly because consumers rely more on specific product attributes than on the origin of the products.

Another issue that has attracted substantial empirical research attention is the impact of multiple countries of origin on brand perception. These studies broke down manufactured product images into country of design (COD), country of assembly (COA), and country of origin of parts (COP) in order to study their impact on brand perception. Contributors to this strand of research include Ahmed and d'Astous (1995), (1996), Nebenzahl and Jaffe (1996), Hamin and Elliott (2006), Essoussi and Merunka (2007), Fetscherin and Toncar (2010), Chen and Su (2012), Moradi and Zarei (2012), and Sinrungtam (2013). The results of these studies have found a significant and positive association between multiple countries of origin and brand perception. That said, there are also some studies which found no significant effect of COO sub-components on consumer product assessment or purchase intentions (Hui and Zhou, 2003; Hamin and Elliott, 2006; Wong *et al.*, 2008; Ahmed *et al.*, 2011), because other cues like product country congruency showed a greater impact on consumer evaluations than the COO effect.

There have also been studies examining the links between COO and the ethnocentric orientations of consumers (see Kaynak and Kara, 1997; Vida and Damjan, 2001; Kinra, 2006; Liu *et al.*, 2006; Chryssochoidis *et al.*, 2007; Zolfagharian and Sun, 2010). Some studies suggested that CE has no influence on the COO effect (Yagci, 2001; Cumberlan *et al*., 2010; Sharma, 2011), and consumer ethnocentrism becomes a significant predictor only when the product is manufactured in a less-developed/liked country.

As stated before, the relationships between COO and quality assessment, and COO and brand equity were found to be conclusive stating that COO has a positive and direct influence on quality assessment (Lin and Sternquist, 1994; Kaynak *et al.*, 2000; Pecotich and Rosenthal, 2001; Ahmed *et al.*, 2002; Chu *et al.*, 2010) and brand equity (Pappu *et al.,* 2006, 2007; Yasin *et al.*, 2007; Baldauf *et al.*, 2009; Sanyal and Datta, 201; and Parkvithee and Miranda, 2012).

All in all, what emerged from the literature review was how contradictory the knowledge of the impact of the COO effect on brand perception actually is, suggesting that a great deal of cross cultural quantitative verification is still needed and further consumer behavioural studies need to be undertaken in the 4 areas.

Another issue that emerged from the 6 research topics identified through the literature review is that researchers' choice of methodology has impacted their investigations. For example, most of the qualitative studies consistently showed no strong COO effects on brand perception (Johansson *et al.*, 1994; Aiello *et al.*, 2009; Ahmed *et al.*, 2011), while the quantitative studies on the same issue produced conflicting results. A possible explanation for this result could be that when employing quantitative techniques, the research presents a predetermined limited set of categories that the respondent has to choose from, and such a method could be viewed as an inadequate process by which to measure such an wide concept as country image (Dinnie, 2004).

The literature review showed that only 12 of the 77 papers reported studies on multiple countries of origin and brand perception and 10 papers reported empirical investigations on country of origin and consumer ethnocentrism. These areas therefore appear to be under-researched and require greater attention in future research. The review has also shown that most of the studies are of single country types and limited to specific periods of time. That is, researchers have not shown very much interest in comparative and longitudinal studies. Wong *et al.* (2006) also made a similar observation and called for more cross-cultural or regional studies, since consumers' perceptions concerning different brands can differ across cultures. According to Wong *et al*. (2006), it would be useful to place a greater emphasis on longitudinal studies and find out whether consumers perceive brands differently on the basis of products' country of origin, and if so, what has triggered their change in perception.

Future research should also take into consideration other elements of decision-making such as the consumers' demographic profiles and their effect on brand perception when COO information is available. There are very few studies of this type among the reviewed articles and they have produced contradictory results. In the case of gender, Samiee *et al.* (2005) argued that women are more prone to rate foreign products more favourably, while while men exhibited more ethnocentric tendencies, and had more biased perceptions of foreign products. On the other hand, the research conducted by Ahmed *et al.* (2004) and Vida and Damjan (2001) found no significant differences between males and females in their likelihood of purchasing each product from different countries. Studies which focused on evaluating the role of age, suggested that older people are more strongly influenced by country-of-origin effects (Schellinck, 1989; Wall *et al.,* 1991; Schaefer, 1997), while others suggested that younger consumers exhibited a greater COO effect (Insch and McBride, 2004). For the level of education, previous studies have suggested that if the consumer's income is high, the probability of buying domestic products is lower. However, McLain and Sternquist (1991) found no such relationship between the income level and product brand perception. Since demographic factors form the core of consumer market

segmentation, further research is needed into whether country-of-origin effects operate differently in terms of socioeconomic or psychographic characteristics.

The evidence reported in this review also reveals other under-researched areas that should receive attention in future research effort. For example, most studies have focused attention on very well-known brands from developed countries. Some scholars have argued that products from developing (emerging) economies experience the effects of negative country images that adversely affect their evaluation by both Western and non-Western consumers (Chu *et al.*, 2010). Some studies have also suggested that favourably perceived brand names can help mitigate a negative country image (Speece and Nguyen, 2005; Kabadayi and Lerman, 2011). The available amount of knowledge on the issue, however, remains scarce. That said, in the light of the fact that an increasing number of firms from developing countries are entering the global market scene (usually with little-known brands), research into the COO effects on these unknown brands will provide companies in developing country with a stronger knowledge base for their international marketing strategy formulation (Lin and Chen, 2006; Wong *et al.*, 2007). It will also widen the available amount of academic knowledge in the field.

Some scholars have called for additional research into the COO phenomenon in Central and Eastern European (CEE) countries due to the dynamics of economic activities in the region. For example, an increasing number of these countries have joined the EU, and Western European companies are aggressively marketing their products to consumers in the CEE. At the same time, some previous research has shown that these consumers are exhibiting an increasing degree of ethnocentricism that is disturbing to Western European marketing managers (Beverland, 2001; Pecotich and Rosenthal, 2001; Dmitrovic, Vida and Reardon, 2009). Apparently, the transition from a centrally-planned system to a free market economy in the countries of Central and Eastern Europe (CEE) has not translated fully into a total eradication of the communist ideology in the mental fabric of the citizens of these countries. Recent research suggests that an increasing number of citizens in these societies yearn for the return to the communist era and nationalistic tendencies seem to manifest themselves in consumer preferences (Gellner, 1993; Verdery, 1993; Molchanov, 2000; Demirbag *et al.*, 2010; Siemieniako, 2011).There is therefore a need for further empirical investigations into how the changing of both the political landscape and "communist nostalgia" impact brand perception and purchase behaviour of consumers with different demographic profiles (see Gellner, 1993; Verdery, 1993; Molchanov, 2000; Demirbag *et al.*, 2010; Siemieniako, 2011 for similar arguments).

One possibility would be to approach the issue of the COO effect considering more factors of a psychological, political and technological nature, such as the influence of ideology on the country-of-origin effect and consumer ethnocentrism, for brands from either emerging or developed countries (Chryssochoidis *et al.*, 2007).

As mentioned earlier, research into the impact of multiple countries of origin on brand perception is another interesting area for further research. A number of scholars argue that future research should explore the relationship between country image and brand perception in greater

detail, given that each brand is associated with a certain country. According to Wong *et al. (*2006) and Diamantopoulus *et al.* (2011) there is a growing need to study the impact of hybrid products, i.e. products with a different country of design (COD), country of assembly (COA), and country of parts (COP), on the consumers' perception of brands. Thus, one area of interest would be to study the impact of multiple countries of origin of a product with Western and non-Western countries of origin, by providing additional insights into the relative influence of the three sub-components on the consumers' evaluation of high involvement products.

The articles reviewed have also suggested that consumers' responses to the brand personality may have been influenced by their individual differences with regard to purchase intention, product attitude, or consumer ethnocentrism (Fetscherin and Toncar, 2010, Souiden *et al.*, 2011). Some scholars have criticised the previous studies on the grounds that they have examined each of these constructs separately and call for the application of an integrated framework for the COO effect on purchase intention and purchase behaviour of brands (Chryssochoidis *et al.* 2007; Chu *et al.,* 2010).

5. Conclusions

In the face of the extensive amount of literature on the country-of-origin effect, this paper has made an attempt to shed some light onto how the link between the COO effect and brand has been discussed in the literature over a twenty year period (1993 -2013). The aim is to examine issues that have received research attention, the compelling nature of the empirical evidence generated, and to highlight the research gaps and future research possibilities that there are in the field.

In total, 77 articles were reviewed and several important contributions emerged from this study. To the best of my knowledge, this is the first academic article to review the literature of COO effects on brand perception in a systematic way. The review has shown that the empirical evidence remains unsettled with regard to a number of issues. I have outlined four issues that manifest conflicting views and that require additional research interest. These are: the relationship between COO and brand evaluation, COO and purchase intention and brand perception, multiple countries of origin and brand perception, and COO and CE and brand perception. Specifically, the low number of empirical investigations on two of the four topics (multiple countries of origin & brand perception, and COO and CE & brand perception) require a great deal of attention in future research. The complexity of the phenomenon provides scholars in the field of Marketing and Business studies ample scope for further research.

3 Methodology

The following chapter seeks to explain the methodological approach that will be conducted along with the description of the methods that are used for this PhD dissertation. The intention is to give the reader a picture of the plan for the study, used as a guide in collecting and analysing data. The main purpose of this chapter is therefore to create an understanding of the different variables, which should be taken into consideration before undertaking business research.

3.1 Methodological Viewpoint

To study a phenomenon, researchers have to structure their research questions and adopt a methodology approach to answer the questions and explain the results of the research. These characteristics of the study phenomenon of science constitute a paradigm. The characteristics of paradigms are best described through the objective-subjective model, which defines the two sides of the nature of science to human beings: external and internal (Burrell and Morgan, 1979). Bryman and Bell (2011) identified two main components of philosophical considerations in science: ontology and epistemology.

3.1.1 Ontological and Epistemological Consideration

Ontology is the nature of reality. It refers to questioning the existence of a "real" world that is independent of our knowledge. There are two main ontological approaches: objectivism and constructionism. According to Bryman and Bell (2011:21) "objectivism is an ontological position that implies that social phenomena confront us as external facts that are beyond our reach of influence". In other words, the social world exists beyond the control of the social actors and their actions. Constructionism explains that "social phenomena and their meanings are continually being accomplished by their social actors" (Bryman and Bell 2011, p. 22). It implies that social phenomena are not only produced through social interaction but that they are in a constant state of revision. According to Kuada (2012 the reality is defined through realism and nominalism. The nominalist says that reality is subjective, because it can be influenced by the individual. On the other hand, realism states that reality exists and is external to the individuals. Bryman and Bell (2011) explain realism by giving an example of cultural differentiation in organisations. Objectivists argue that for an international organisation consisting of different people from different parts of the world, cultural differentiation exists. This means that these people might work in different ways or behave differently and that there might be misunderstandings between them during the working process. Conversely, subjectivists argue that culture is created by the organisation, meaning that no matter where people within the organisation come from, the organisation has to create a 'culture', which everyone has to follow.

In the present study, I have aimed to study the effect of country of origin on brands by researching consumer behaviour towards brands from developed and emerging countries. On the basis of these empirical investigations, I draw conclusions as to whether a developed or

emerging country of origin has an impact on the consumers' brand perception, and whether this impact is translated into purchase intentions. Thus, the ontological consideration of this dissertation takes on board the realist or objectivist perspective, since the reality is viewed as external and is not a result of individual consciousness.

Epistemology refers to the issue of how we know the world. It focuses on the inquirer and what can be known by direct observation of the external world and when the observer and the subject of inquiry must interact to create knowledge. Bryman and Bell (2007) identify two main epistemological standpoints: positivism and interpretivism. The difference between positivism and interpretivism is the way they approach knowledge. In the positivist approach, people are seen as "constructions" and in the interpretive approach people become "constructors". For positivists, scientific knowledge is established through the accumulation of verified facts. Therefore, from the positivist perspective, the role of the research is primarily to test theories and create laws. Interpretivists, or anti-positivists (Burrell and Morgan, 1979) on the other hand, assert that social phenomena do not exist independently of our interpretation of them. Consequently, an objective analysis, which is the main premise of positivism, is impossible because the researcher is also part of the research process.

The positivists believe that reality and the knowledge they have gained is objective. Furthermore, knowledge is accumulated through observation and by searching for rules. Scholars who adopt a positivist point of view have to go through a seeking and learning process before they know what reality is. Realism, which is similar to positivism, argues that reality is objective and exists independently of the humans' mind. The two major forms of realism are direct realism (or empirical realism) and critical realism (Saunders, 2007). Direct realists believe that "what you see is what you get", and the actors experience the exact reality of the world. Critical realists on the other hand, say that what humans see is simply an image of reality, but not the actual reality.

In the present study, the positivist view is predominant in giving us understanding into the effect of country of origin on the consumers' brand perception, since after reviewing literature, hypotheses are being formulated and tested. Direct realists accept that there are no differences between the empirical, the actual (i.e. interpretable) and the real. In this study, data were obtained by observing consumer behaviour towards different brands. The discussion and conclusions drawn from the data are presented in accordance with the critical realists' view, since I believe that only by seeing the same data through the theoretical lenses used by different researchers can we gain an understanding of some of the features of the real world (Woodside and Wilson, 2003).

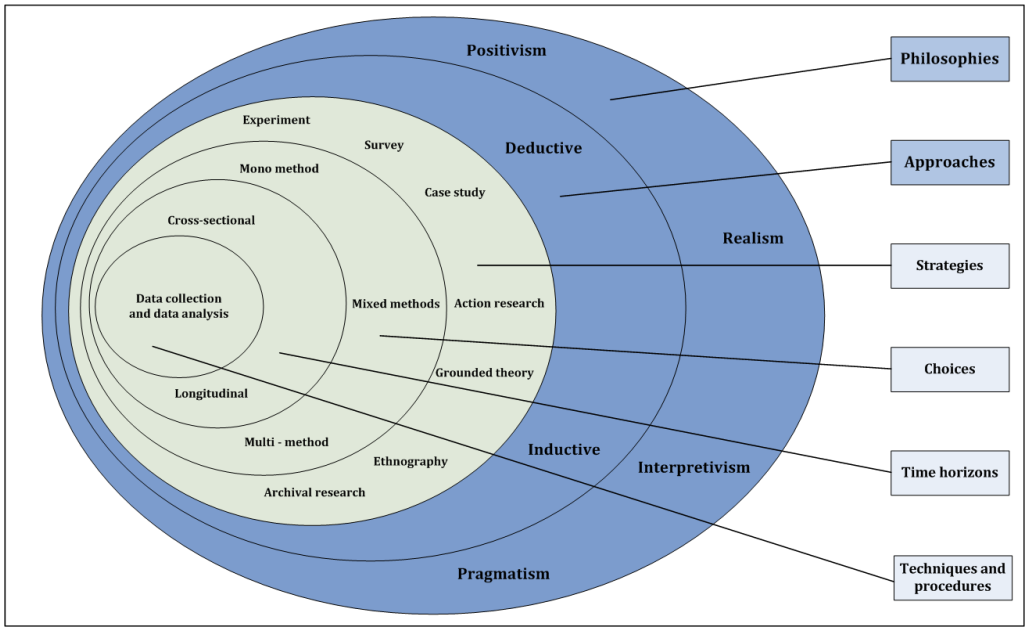
There is an important relationship between ontology and epistemology, that is, that the view about the nature of the world, ontology, has impacts on how the researcher views the nature of world's knowledge, which is called epistemology (Bryman and Bell 2007). Thus, I am adopting a positivistic view of the nature of the world which is directly linked to the objectivistic side of the social world.

3.1.2 Research Philosophy

Based on the objective-subjective assumption of reality, the research philosophy is defined as the development of knowledge and the nature of that knowledge. Furthermore, it contains assumptions about the way researchers view the world (Saunders *et al.,* 2009). As a rule, these assumptions will predicate the research strategy and methods chosen as part of the strategy.

As shown in Figure 3.1, Saunders *et al.* (2009) developed the "research onion", where 4 different philosophies are presented: pragmatism, interpretivism, realism and positivism.

Figure 3.1 The research onion (Saunders *et al.*, 2008: pp. 108)



Pragmatism suggests that we do not need to adopt one single philosophical positioning, and that the research question is the most important determinant of epistemology and ontology. That is, if the research question can be researched by adopting either a positivist or interpretivist philosophy, then pragmatism argues that it is perfectly normal to work with variations in your epistemology and ontology. One example here would be the use of mixed methods, both quantitative and qualitative, in a single study.

Interpretivism argues that researchers are social actors and as such they need to understand the differences between humans. It deals with the subjective meaning of social phenomena, since we interpret the "social roles of others in accordance with our own set of meanings" (Saunders *et al.,* 2009: pp. 116). Consequently, the research is based on qualitative methods such as interviews or observations.

Realism is another philosophical position that asserts that the external reality is the truth, that objects have an existence which is independent of the human mind. There are two types of realism: direct realism and critical realism. While direct realism suggests that "what we see is what we get", critical realism argues that what we experience are merely sensations of the things in the real world, not actually the things themselves. By way of example, a direct realist would see the world in the business context at one level (the individual, the group and the organisation), while a critical realist would see the different levels of the organisation and the existence of a greater variety of structures and levels (Saunders *et al.,* 2009).

Similar to realism is *positivism*, which assumes that findings attained through experiments and surveys are true. Hence, only phenomena that we can observe will produce credible data, which is usually collected through developed hypotheses. The researcher is external to the data collection process, meaning that he is objective towards the subject or the research. The research method used by a positivist is of a quantitative nature, i.e. surveys, where the collection and analysis of the data occurs following systematic procedures.

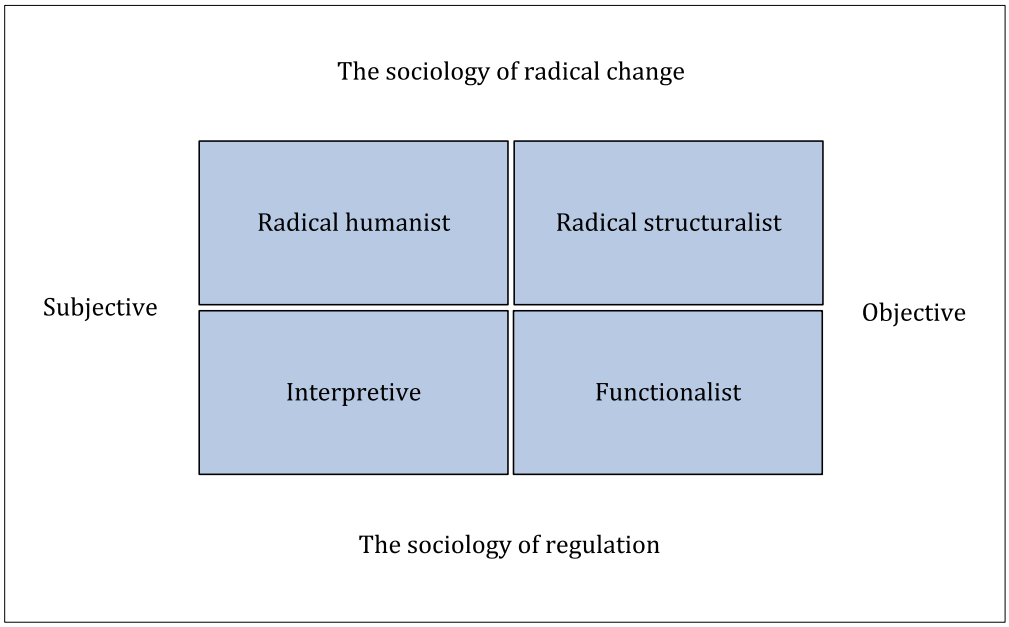
The approach of the present dissertation is mainly positivist in nature, since all empirical papers follow a quantitative research method where hypotheses based on existing theories are developed. These hypotheses are then tested and are either confirmed or denied, thus widening the knowledge base in the field of COO. The argument for using facts rather than impressions when developing hypotheses is another aspect of the positivism philosophy, which denotes, according to Saunders *et al.* (2009), the "observable social reality". Furthermore, the research questions are all confirmatory in nature, demanding an objective research study in the field of COO effect on brand perception.

3.1.3 Research Paradigms

I will touch upon the concept of paradigm further, in order to provide a richer insight into the philosophical roots of the dissertation. A paradigm is, according to Saunders *et al.* (2009), "a way of examining social phenomena from which particular understandings of these phenomena can be gained and explanations attempted" (pp. 118).

The RRIF classification paradigm, or the four paradigm model of social theory, developed by Burrell and Morgan (1979), is helpful in gaining an understanding of the objectivist-subjectivist assumption of epistemology and ontology. Figure 3.2 illustrates the four paradigms: functionalist, interpretive, radical humanist and radical structuralist.

Figure 3.2 The four paradigms of social theory (Burrell and Morgan, 1979: pp. 22)



The conceptual dimension, the sociology of radical change, explains the changes and conflicts of the world. According to this approach, individuals should be emancipated from being structured and limited. On the other hand, the sociology of regulation explains the nature of social order, social integration, solidarity and the need of satisfaction. This approach states that society is maintained as an entity where individuals hold together rather than fall apart (Burrell and Morgan, 1979, pp. 17-18).

The aim of the four paradigms, functionalist, interpretive, radical humanist and radical structuralist, is firstly to help researchers clarify their assumptions about their view of the nature of science and society, and secondly, to offer a way of understanding the path the researcher is taking and approaching his/her work (Burrell and Morgan, 1982). An overview of the four paradigms is presented below.

The functionalist paradigm

This paradigm is located between the objectivist and the regulatory dimensions. It is considered objective, because that is the position that we adopt when dealing with this paradigm, and regulatory, because we try to find a rational explanation for the problem of how we view the world (Burrell and Morgan, 1982). Kuada (2012) further states that issues or problems in nature generally, and particularly in business economics, are viewed as objective and are value free. The researchers in this approach should stand independently to the reality of the world and try to find a suitable solution for a practical problem.

The interpretive paradigm

In this dimension the subjective approach is predominant, and it refers to the way humans see the world around them (Burrell and Morgan, 1982). Researchers see the nature of the world as subjective and use qualitative methods in their studies. Because the interpretive paradigm is closer to the sociology of regulation as opposed to the sociology of radical change, researchers will tend to examine the subjective experience as it currently exists (Kuada, 2012), while understanding and explaining what is going on.

The radical humanist paradigm

The radical humanist paradigm is situated between the subjectivist and radical change dimensions. As in the interpretive paradigm, the ontological perspective that we should adopt here is subjectivism. Researchers who adopt this paradigm view the world as powerful and believe that social change needs the involvement of individuals within the organisation (Kuada, 2012).

The radical structuralist paradigm

The radical structuralist paradigm holds the view of both the sociology of radical change and the objective standpoint. Unlike the functionalist paradigm, which is concerned with understanding the meaning of social phenomena from the subjective perspective of social actors, this paradigm adopts an objectivist perspective which deals with objective entities. According to Kuada (2012) researchers who hold this point of view say that reality is socially constructed and there is always a conflict within the society.

After reflecting on the different paradigms, I consider my dissertation to lie between the objectivist and the sociology of radical change dimensions, and thus, this study adopts the radical structuralist paradigm. It is objective since I stand independently to the reality of the world, while gathering data in the form of questionnaires; I try to find a suitable solution for a practical problem, as to whether different COO dimensions and factors that influence COO have an effect on how consumers perceive different low and high involvement brands from developed and emerging countries. In this regard, as a researcher, I stand for the nomothetic and I believe that reality is objective, thus, I adopt a methodology which focuses on gaining knowledge through experience and learning because ‘what you see is what you get’. While analysing past literature on this topic I find myself in the radical change dimension, since I adopt a critical perspective on the different topics identified and provide additional discussions that lead to future research possibilities. While acknowledging that there are some critics of the RRIF paradigm, because situationalists believe that the nature of the world can be viewed by both subjectivism and objectivism (Kuada, 2012), I adhere to only one of the four paradigms, which helps in clarifying my assumption about the view of the nature of science and society.

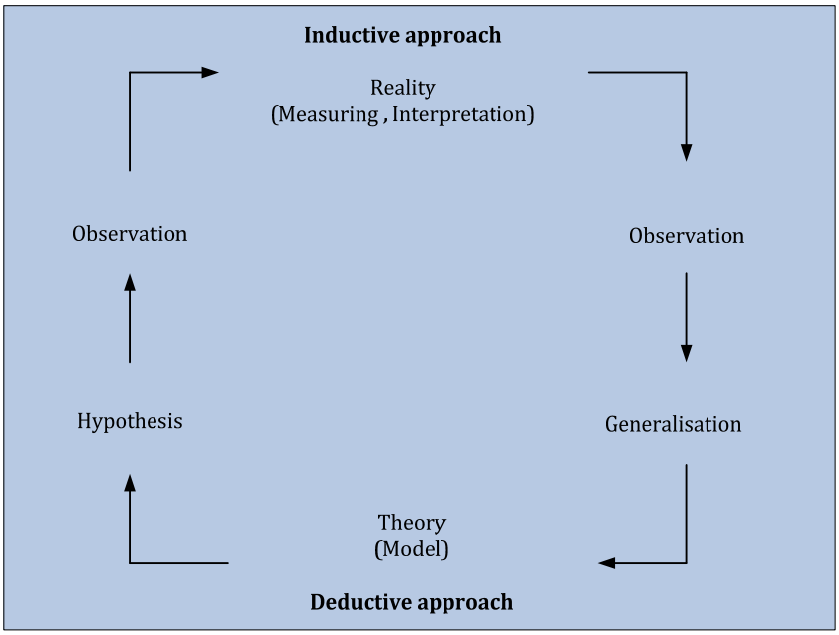
3.2 Method and Process of Analysis

A further distinction between two research approaches can be made: induction and deduction. The deductive approach is defined as a research approach whereby theories and hypotheses are developed and then a research strategy is designed to test the hypotheses. According to Downward (2003) this approach can also be called a "theory-then-research strategy". Induction on the other hand is defined as an approach where the researcher collects data and then develops a theory as a result of the data analysis (Saunders *et al.,* 2009). Downward (2003) calls this approach a "research-then-theory strategy". The two approaches can be attached to two research philosophies. Deduction links to positivism and induction to interpretivism. Figure 3.3 presents the two research approaches and the considerations to be made when choosing one of the two strategies.

The research of this dissertation is based on the deductive approach, which represents the dominant research approach in the natural sciences. When conducting research in a deductive manner, several important steps need to be followed. The current dissertation explains causal relationships between variables in the formulation of hypotheses. Thereafter, in order to test the hypotheses, the next step of the deductive approach is utilised – the collection of quantitative data in the form of surveys. Finally, a structured methodology is used in order to make replication possible and to guarantee reliability and validity. The final characteristic of deduction is generalisation. But in order to statistically generalise an outcome it is necessary to have weighty sample sizes. Since the sample size of this dissertation is not of significant size (560 respondents), it only allows me to make inferences about that specific sample.

Furthermore, Robson (2002) has introduced five sequential stages through which deductive research must progress, which I have followed in my research approach: 1. drawing hypotheses from the theories reviewed (12 hypotheses developed); 2. expressing the hypothesis in operational terms, which proposes a relationship between two specific concepts or variables; 3. testing the hypothesis (through variance analysis): 4. examining the specific outcome of the inquiry (denying or confirming the hypotheses) and finally 5. modifying the theory in connection with the findings (developing an enhanced framework for future research possibilities).

Figure 3.3 Inductive and Deductive Approach (Wiedersheim and Eriksson, 1997)



3.2.1 The Survey Research Method

There are two methods of collecting information. One can choose between quantitative and qualitative methods. According to Bryman and Bell (2007), quantitative research examines elements and turns them into variables of research. Qualitative research shows how all the elements work together to form a whole. According to Zikmund (2003) the method chosen to obtain data depends on the research objectives, the available data sources, and the urgency of the choice and the cost of acquiring the data.

Besides the two research methods mentioned, there are also two major approaches to gathering information. Kumar (2005) identifies secondary data and primary data. Secondary data collection includes information, which already exists and is not gathered by the researcher. Secondary data is often represented in the form of publications like articles and reports used for the literature review. Primary data on the other hand is so-called first hand data collected by the researchers themselves. It includes information which is collected for the specific research such as interviews. The most common strategy is, according to Merriam (1998), a combination of both techniques. Moreover, Yin (2003) states that any findings and conclusions are likely to be more convincing and accurate when it is based on several data sources.

For the empirical part of this study, the quantitative research method is chosen, in the form of surveys, which represents the primary data. Closely related to the deductive approach is

the survey strategy. It is mainly used to answer "who", "what", "where", "how much" and "how many" questions (Saunders *et al.,* 2009). Surveys allow the collection of a large amount of data from the population, who are asked to respond to the same set of questions in a predetermined order. The survey research contains a cross-sectional design, where data are collected by questionnaires or structured interviews on multiple cases and at a single point in time "in order to collect a quantitative or quantifiable data in connection with two or more variables, which are then examined to detect patterns of association" (Bryman, 2008: pp. 46). Researchers can choose between three types of surveys: self-completion questionnaires, structured interviews and structured observation (Bryman, 2008). According to Kumar (2005), the choice of method depends upon the purpose of the study and the resources available. For the purpose of this study, the self-completion or self-administered questionnaire was selected. Saunders *et al.* (2009) further identify 4 types of self-administered questionnaires: internet-mediated questionnaire (administered electronically using the internet), intranet –mediated questionnaire (administered electronically using the intranet), postal or mail questionnaire (posted to respondents who, after completion, return the questionnaire by post) and finally, delivery and collection questionnaire (delivered by hand to each respondent and collected afterwards). The delivery and collection questionnaire was chosen because of the following advantages:

- cheaper to administer: since interviewing can be costly, I decided to choose the self-completion questionnaire because my sample is geographically widely dispersed (Romania and Denmark)

- guarantee a high response rate: I did not rely on consumer databases, due to the fact that older consumers do not have access to Internet, particularly in Romania, and I also wanted to come to understand their perceptions about brands from Western Europe in comparison to local brands. Bearing this in mind, I decided to administer the questionnaires myself, so that I could take the data collection literally into my own hands, ensuring that I can collect as many questionnaires as possible and thus, hopefully, achieve a response rate of over 95%, which definitely increases validity.

- absence of interviewer effects: according to Bryman (2008) and Bryman and Bell (2011), various studies argue that the characteristics of the interviewers may interact with the way that the respondents answer the questions, since interviewers could ask questions in a different order or in a different way. Due to the fact that I have chosen the self-completion questionnaire method for collecting data, I interacted only very rarely with the respondents while they were completing the questionnaire, only aiding them when ambiguities arose.

3.2.2 The Measuring Instruments

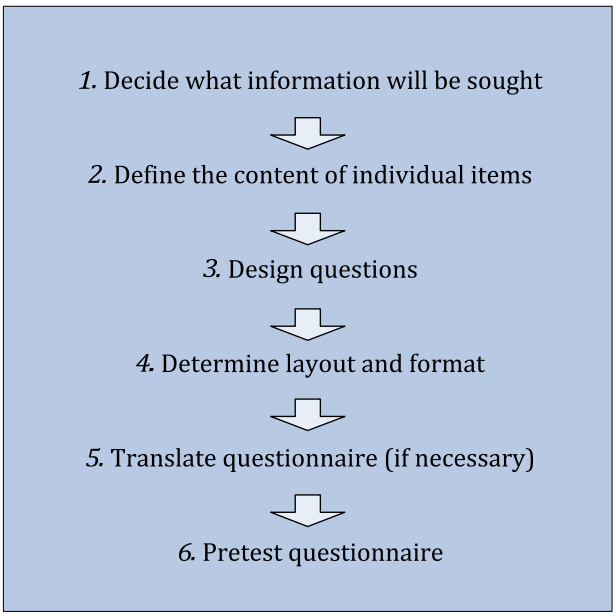
As noted above, the survey research method, in the form of self-completion questionnaires, was used in order to investigate the effect of COO and other factors that influence COO (CE and ideology) on how consumers from developed and emerging countries

perceive foreign brands. The sections below will provide a description of the steps taken in developing the measuring instruments for the primary data. The two questionnaires can be found in Appendix 4.1 and 5.1.

3.2.2.1 Design of the Questionnaires

The type of research that I have conducted in my empirical chapter is of an explanatory nature, which means that data is required to test theories (Saunders *et al.*, 2009). For designing the questionnaires I have followed a number of steps to insure that the data collected is valid and can actually help in drawing my conclusions. Following Saunders *et al.* (2009), Bryman (2008) and Bryman and Bell (2011) I have outlined the procedures used as a guideline for generating the two questionnaires (see Figure 3.4).

Figure 3.4 Questionnaire development process



Firstly, unlike in-depth or semi-structured interviews, the questionnaire contains questions which are precisely defined prior to data collection. The items used in the questionnaire were identified through the literature review and by discussing my ideas with my supervisor and fellow colleagues in the field. Both dependent and independent variables were used throughout the two questionnaires. A dependent variable changes in response to a change in other variables and an independent variable causes changes in a dependent variable (Saunders *et al.,* 2009: 367). Furthermore, Dillman (2007) presents three types of sub-variables of dependent and independent variables: opinion, behavioural and attribute variables. The opinion variable denotes how the respondents feel, or what their opinion is about something. The behavioural variable indicates what respondents have done in the past, do now or what they will do in the

future. And lastly, the attribute variables represent the characteristics of the respondents, in terms of age, gender, education, income etc. These variables can be researched by formulating investigative questions, which have been formulated based upon the objectives and hypotheses of each study. Based on previous studies and on suggestions by previous researchers, a total of 10 variables were included in the dissertation. An overview of the questionnaire items and their origin is presented in Appendix 3.1 and 3.2.

Secondly, after reviewing previous studies, a list of items were drawn up to measure the variables that were included in this study (for a detailed overview of the scales used in previous studies, see Chapter 2). Bryman and Bell (2011) note that one advantage of using existing questions is that it allows you to use questions that have been pilot tested already. One other advantage is that it allows the researcher to explore whether your sample is consistent or not with previous findings.

The *third step* in creating the questionnaire was to design the questions, deciding upon open-ended or closed-ended questions. The open-ended questions allow the respondent to answer a question in whichever way they wish. The closed-ended questions, on the other hand, have a set of fixed answers that the respondents have to choose between. Throughout my questionnaires I decided to use closed-ended questions because it is easier to process answers, since the respondents have to tick or circle the most appropriate answer. Furthermore, the closed-ended question can also have a clarifying role, since it can clear up the meaning of the question for the respondent. Since I wanted each respondent to hear exactly the same question and to avoid confusion, I have followed some specific rules for designing the questions, which were put forward by Bryman and Bell (2011). I have avoided *abbreviations* (e.g. NATO could mean National Auto Tourist Organisation, instead of the North Atlantic Treaty Organisation); *ambiguity* (e.g. Do you jog regularly? - here respondents might have different notions of what regularly means to them); *confusion* (e.g. What is your income?, in this case respondents do not know whether it is the monthly/yearly/net or gross income); *double-barreled questions* (e.g. when asking two things: Does this company have pension and health insurance benefits?); *questions that are beyond respondents' capabilities* (e.g. How many gallons of gasoline did you buy last year for your car? – the respondents would not know that); *leading questions* (e.g. You don't smoke, don't you?); *and technical terms*, like "country-of-origin effect" or "consumer ethnocentrism", which terms the respondents would not be familiar with, or understand. After assuring myself that I had taken into consideration all the aforementioned rules, the second step in designing the questions was whether to use a 'don't know' or 'no opinion' option. Scholars like Converse and Presser (1986) strongly support the idea of including the 'don't know' option, because one can exclude the risk of forcing people to express views that they do not necessarily hold. While I don't disagree with this argument, I decided not to use a 'don't know' option because of so-called "floaters", who would answer a question if a 'no opinion' choice is missing, but will choose 'don't know' when it is offered. Furthermore, like Bryman and Bell (2011), I hold the view that data quality is not enhanced when including the 'don't know' option, and by knowing that the respondents were interested in the research topic, I was confident that my questions were constructed in such a manner that they were easy to understand. Past research has

also found that respondents with lower levels of education are more inclined to choose the 'don't know' option and that those questions which are placed at the end of the questionnaire are more likely to be answered with the 'don't know' option (Bryman and Bell, 2011). Bearing these points in mind, I decided not to include the 'don't know' option in my questionnaires.

The *fourth step* in designing the questionnaire was to consider the layout and format of the questions. In this regard, I designed both questionnaire 1 and questionnaire 2 in such a way that they were clear and easy to follow, by assigning each question a number, by adequately spacing out the questions and by giving clear instructions as to whether to circle responses or check boxes. In order to save space, I used matrix questions, where I formulated rating questions which are often used to collect opinion data. The Likert-style rating scale from 1 to 7 for questionnaire 1, and a scale from 1 to 5 (1= strongly disagree and 5 = strongly agree) for questionnaire 2, was used in this regard to measure the respondents' opinions. With regard to the length of the questionnaire, it is well-known that longer questionnaires will reduce response rates as opposed to shorter questionnaires. With this in mind, I decided to ensure that the questionnaires are between 4 and 5 A4 pages, which according to Saunders *et al.* (2009), is an acceptable length for paper-based self-administered questionnaires. Since researchers agree that respondents usually ignore cover letters (Bryman and Bell, 2011; Dillman, 2007), I decided to include a short introductory note at the beginning of the two questionnaires, where I explained to the respondents why they should complete the survey and assured them that it is an academic study where all answers are kept confidential.

Once I had finalised the questionnaire, the *fifth step* was to translate the questionnaires. In international research, translation is extremely important, since the questions have to have identical meaning to all participants (Saunders *et al.*, 2009). There are four translation techniques for questionnaires: direct translation, back-translation, parallel translation and mixed techniques. Direct translation can lead to many discrepancies since it implies that only one researcher translates the source questionnaire into the target language. The back-translation technique requires two translators, where one of them has to be a native speaker of the target language. When conducting parallel translation, we cannot be sure that the meanings are translated into the target questionnaire, since the translation is done by two or more independent translators and then compared. The mixed technique is the most costly out of the four methods and implies that back-translation is undertaken by two or more independent translators and that the source questionnaire can be changed.

Since questionnaire 1 was administered in English to students at Aalborg University, no translation was required. For questionnaire 2, I opted for the back-translation method, which is the most commonly used technique to check the accuracy of translation in survey research (Douglas and Craig, 2007). The questionnaire was first written in English and then translated into Romanian by a native speaker, and it was then back-translated to English by me, since I am fluent in both English and Romanian. Finally, the questionnaire was re-translated into Romanian. These back-translations were considered necessary to ensure that all idioms and expressions were correct.

When translating the source questionnaire, there were four steps which were taken into consideration. Firstly, I accounted for the lexical meaning, where I had to translate the precise meaning of individual words. Secondly, the idiomatic meaning was taken into consideration, since the meaning of a group of words that are natural to a native speaker, can have a different meaning from those of the individual words. Thirdly, the experiential meaning followed, where I had to ensure that the words and sentences used in a questionnaire would be familiar to the respondents. And fourthly, I looked at grammar and syntax issues to create well-formed sentences (Saunders *et al.*, 2009).The questionnaire was then evaluated by fellow academics in the field of marketing research and business studies to ensure face validity, which means to ensure that the measure reflects what is intended to be measured (Bryman and Bell, 2011).

If the back-translation is not combined with pretesting, it does not address issues of comprehension and meaning to the respondent. Thus, the *sixth and final step* in the development of the questionnaires was to pretest them, in order to identify and eliminate possible connotation issues. According to Zikmund (2003:739), a pilot study is "any small-scale exploratory research technique that uses sampling but does not apply rigorous standards". The survey instruments were pretested on academicians and both Danish and Romanian students, studying at Aalborg University. The respondents were asked to read the two questionnaires carefully and inform the researcher about potential wording ambiguities, timing, and other difficulties encountered in completing the questionnaires. With the feedback received from the pilot study, I made some amendments. The initial descriptive analysis was run using means and standard deviation in SPSS, with reliable results.

An overview of the design of the two questionnaires used in the dissertation is presented in Appendix 3.3.

3.2.2.2 Sampling and Data Collection

Data were collected for paper II using paper-based self-administered questionnaires, and the sample consisted of 245 students, studying at Aalborg University in Aalborg, Denmark. The main idea behind choosing students was that a younger generation of consumers is often viewed as the first global consumer segment, due to their exposure to worldwide communications via the internet (Walker, 1996). They are perceived as having developed a diversity of perspectives and created a patchwork culture that is not indigenous to any one country (Knight and Kim, 2007). After collecting the questionnaire, data editing was performed in order to identify omissions and errors in responses. Two questionnaires were deleted in the process, leaving 243 questionnaires for the final analysis.

The sampling technique chosen was the non-probability quota sampling. Quota sampling is mainly used for surveys and focuses on sampling techniques that are based on the judgment of the researcher (Bryman, 2008). The technique builds on the assumption that "your sample will represent the population as the variability in your sample for various quota variables is the same as that in the population" (Saunders *et al.*, 2009). As suggested by Saunders *et al.* (2009), a quota

can be calculated by choosing the relevant stratification and divide the population accordingly based on any available data, because without relevant quotas, the collected data may be biased. The most commonly used quotas in market research surveys are demographic characteristics like gender, age and socioeconomic status.

As a mean for stratifying the data I have chosen the field of study of the students. Approximately 13,600 students are enrolled at Aalborg University, of which 3,400 students are enrolled at the Faculty of Humanities, 4,400 students at the Faculty of Social Sciences and 5,800 at the Faculty of Engineering, Science and Medicine (AAU in figures and fact, 2013). Thus, the percentage of students that should be included in each stratum is approximately 25 % for Humanities, 32% for Social Sciences and 42% for technical science. Since I have contacted 243 students, the Humanities field should encompass approximately 60 students, the Social Science field, 77 students and Technical Science field, 102 students. While the stratification of the students from the fields of Social Science and Technical Science coincided closely with these numbers, (87 and 129 respectively), the same cannot be said for the Humanities students who accounted for 10.7% of the sample, that is, 26 students. This was due to the lack of availability of some of the students, because of examinations and lectures. That said, all things considered, the sample was considered satisfactory for the study. A detailed overview of the sample profile is provided in Chapter 4, Table 4.1.

Data were collected for papers 3 and 4 using paper-based self-administered questionnaires, and the sample consisted of 325 respondents from Bucharest, Cluj-Napoca and Sibiu – three major Romanian cities, using the mall intercept method. The mall intercept approach has been used in a number of previous consumer ethnocentric studies (Saffu and Walker, 2006). The data quality from these previous studies has been found to be comparable to telephone interviews (Bush and Hair, 1985). Respondents filled in nearly 90 per cent of the questionnaires without assistance from the researcher. The data were screened for univariate outliers and data editing was performed in order to identify omissions and errors in responses. Eight questionnaires were deleted in the process, leaving 317 questionnaires for the final analysis.

The population was divided using gender as a stratification factor. According to the Romanian National Institute of Statistics (2011), the population of Romania is 20.121.641, of which 51.4% are female.Since I wanted to collect 300 questionnaires, 162 respondents had to be female. Thus, of the 317 respondents, 181 (57.4%) were women, which is in accordance with the Romanian statistical quota of at least 162 (51.4%) women. In this regard, the sample is considered satisfactory. A detailed overview of the sample profile is presented in Chapter 5, table 5.1.

3.3 Data Management and Analysis

Before analysing the data, data management is required in order to prepare the actual data for analysis. There are a number of steps which need to be taken into consideration in this regard (Saunders *et al.*, 2009; Bryman and Bell, 2011):

1. consider data coding
2. enter the data into the statistical software
3. screen and clean the data

The first step in data management is to systematically reorganise raw data into a format which is machine readable. This stage is called data coding. According to Bryman (2008), coding is a key stage in quantitative research, since it aids in structuring the answers of a questionnaire. This occurs by assigning numbers to the answers that have been created. Since the two questionnaires contained mainly numerical data, I have coded all data before the actual data collection process took place. Thus, a limited range of well-established categories into which the data can be placed have been assigned to each answer, giving them a number ranging from e.g. 0 to 7 (for questionnaire 1) and 0 to 5 (for questionnaire 2). In this regard I have established a *codebook* (see Appendix 3.4 and 3.5), where I examined the data and established broad groupings, sub-divided the broad groupings into increasingly specific sub-groups, allocated codes to all categories, and re-coded my data to combine or group values in order to form additional variables with less detailed categories. Furthermore, I have performed data transformation because of 'reverse scale categories' which need to be coded uniformly (Bryman and Bell, 2011). When I designed the scales for questionnaire 1, I reversed the scale categories for some questions to prevent bias in response. Thus, a codebook helps in keeping track of all codes used for data analysis. According to Bryman and Bell (2011), establishing a codebook is of great importance since it allows the study to be repeated and validated; it makes methods transparent by recording analytical thinking used to devise codes; and it allows comparison with other studies. The missing data was coded, by taking a value of "-9". The reason for taking such a value was that this number did not interfere with the numbers that the statistical program SPSS assigns to different tasks. According to Saunders *et al.* (2009) the main reasons for missing data are that respondents refuse to answer the question, they did not know the answer or did not have an opinion, or they may have missed a question by mistake.

After coding the data, the second step of data management consisted of entering the data into Windows Excel as a data matrix, where the row represents the respondent, subject or case (data records) and the column represents the variables (data field).

The data was then imported into SPSS (Statistical Package for the Social Sciences) version 20. According to Bryman and Bell (2011), SPSS is possibly the most widely used computer software by social scientists for analysing quantitative data. I imported the data into the data viewer, which is considered the spreadsheet of SPSS. Afterwards, the variables were defined by giving each variable a name and a label and by defining the missing values and the value labels.

The third and final step of data management was to screen the data for any possible outliers, non-normal distributions, or any other anomalies in the data. Thus, code cleaning was performed by checking the categories of all variables for impossible codes (e.g. gender was coded 0 for female and 1 for male, but when a 4 was found, I realised that mistyping had occurred and re-checked the questionnaire to find out the gender of the respondent).

After performing all the aforementioned steps of data coding, cleaning and data adjustment, data analysis could be performed. In this regard, I followed conventional methods of quantitative data analysis – using SPSS software in all three of the papers that reported empirical investigations. Firstly, descriptive statistics, like frequency tables, means, or standard deviation, were used to summarise certain characteristics of the sample in a simpler way. While frequency tables help reduce the data into more understandable categories without manipulating the data, means represent the sum of the sample measurements divided by the sample size (David and Sutton, 2004). The Pearson correlation helped in measuring the relationship between different variables and stated the direction of relationship, and thus the possibility that one variable can be predicted if the other is known (Frankfort-Nachmias and Nachmias, 2000).

The methods of analysis include the use of factor analysis, the analysis of variance (ANOVA) and multiple analyses of variance (MANOVA) where applicable. The factor analysis used in all three empirical papers, is a multivariate statistical method which uses the correlations between the original variables and creates new variables which are in fact a combination of the original ones (Mazzocchi, 2008). As a rule, the higher the correlation between the original variables, the smaller the number of the new generated variables which describe the same phenomenon. The one-way analysis of variance (ANOVA) was used in paper II and IV.According to Aczel and Sounderpandian (2009), ANOVA is the most commonly used research method in the professional business and economic literature. It determines the existence of differences between various population means. These differences among means are analysed through different forms of variance associated with the studied samples, thus, the name analysis of variance. For investigating the hypotheses in paper III, multiple analysis of variance (MANOVA) was conducted. According to French *et al.* (2008), MANOVA is simply an ANOVA with multiple dependent variables. This means that the ANOVA tests for the difference in means between two or more groups, while MANOVA tests for the difference in two or more vectors of means.

The analytical techniques are elaborately discussed in each of the papers.

3.4 Assessment of the Research Design

According to Bryman and Bell (2011), the issues of reliability and validity must be seriously considered in all quantitative investigations. Reliability refers to the consistency of the measures used.

One way of testing whether the measurements are reliable is to look at the internal reliability. They argue that internal reliability applies to measures that have multiple indicators, where there is a possibility that the indicators do not relate to the same thing. Since I have used multiple items to express one variable, I have done an initial reliability analysis by measuring the Cronbach's alpha coefficient in SPSS, and confirmed the reliability of the constructs, due to the fact that all coefficients had relative high scores.

Closely connected to the notion of reliability, is validity, which is, according to Bryman (2008) the most important principle of research. The concept refers to the issue of "whether a concept really measures that concept" (Bryman and Bell (2011:151). Researchers distinguish between a number of different types of validity, some of which I will discuss below.

Face validity is concerned with the fact that what the measure contains is actually reflected in the concept itself (Bryman and Bell, 2011). This can be tested by asking other people whether the concept is measuring what it is supposed to measure. Firstly, the theoretical paper contains multiple sources of evidence in the form of existing and approved academic articles, which are used to form the understanding of the impact of country of origin on brand perception. Secondly, my supervisor, Professor John Kuada and Lartey Lawson, who is a senior statistician at the Danish Veterinary and Food Administration, gave insightful suggestions, and acted as judges to determine whether the measures used throughout the questionnaires reflected the intended concepts.

Construct validity is another criterion which should be taken into consideration when estimating a measure (Bryman and Bell, 2011). Here, the researcher is encouraged to deduce hypotheses after reviewing existing literatures. In this regard, I have drawn hypotheses upon existing ideas about the impact of COO and CE on brand perception and tested them in my empirical research.

The final criterion for testing validity issues is the external validity, which deals with the predicament of whether the findings of the study can be applied or generalised to other cases (Bryman, 2008). Since I have detailed the process of the sampling approach that I have taken in both questionnaires, by generating a representative sample, using the non-probability quota sample, the research can be regarded as being valid.

4 Paper II: Multiple Countries of Origin Effect on Brand Perception

Country Image and Brand Perception of Hybrid Products from Developed and Emerging Economies

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John Kuada
Lartey G. Lawson

Abstract. *The multiple country-of-origin products, or so- called hybrid products, are gaining more and more interest in today's consumer research field, as empirical studies have shown that while products from industrialised countries generally enjoy a positive country image both at home and abroad, products from the emerging market economies suffer liabilities of negative country image. The present study seeks to empirically test whether the country-of-origin sub-components: country of design, country of assembly, and country of parts, of a product with Western and non-Western countries of origin is important in the evaluation of unknown brands. Data were collected using a questionnaire that was administered to 243 students at Aalborg University. The results show that the student respondents do indeed find the country of origin important when forming their brand perception or assessing the product; they also ranked the products with the country of design and assembly coming from developed countries as the highest.*

Keywords: Hybrid products, country of design, country of assembly, country of parts, brand perception, country of origin

1. Introduction

It is generally agreed among marketing scholars that preconceptions and attitudes towards people of a given country tend to influence consumers' evaluation of products coming

from the country(Gurhan-Canli and Maheswaran, 2000; Ahmed *et al.,* 2002; Wang and Yang, 2008). For some products, "country factor" may have a positive impact on consumer perception when sold abroad; for others the impact may be negative. Empirical studies have shown that while products from industrialised countries generally enjoy a positive country image both at home and abroad, products from the emerging market economies suffer liabilities of negative country image (Kaynak *et al.,* 2000; Kinra, 2006; Pappu *et al.,* 2007; Hu *et al.,* 2008; Wang and Yang, 2008; Josiassen and Harzing, 2008; Usunier and Cestre, 2008). It has also been found that the impact of country image on consumers' product evaluation becomes blurred when products have multiple countries of origin – e.g. when they are designed, manufactured and sold by firms located in different countries through cross-border collaborations (Li *et al.,* 2000, Chao, 2001; Baker and Ballington, 2002). The marketing literature refers to these types of products as hybrids (Van Pham, 2006; Josiassen, 2010).

Previous empirical investigations into the hybrid product phenomenon have been concentrated on firms originating from western industrialised countries (Essoussi and Merunka, 2007). The last two decades have, however, witnessed the erosion of the dominance of firms from these parts of the world in the production of various different consumer goods sold globally (Piron, 2000; Wang and Chen 2004; Pecotich and Ward, 2007). Many of these goods are now produced in the low-cost emerging market economies such as China, India, Vietnam, Bangladesh, and Brazil, but are consumed mainly in the western industrialised countries. This new trend has re-opened interest in country-factor research, with a focus on Western consumers' perception of products from non-Western economies (Ferguson *et al.,* 2008; Cayla and Arnould, 2008). Some scholars argue that the negative country image of emerging economies continue to adversely affect consumers' evaluation of products from non-Western countries. They therefore advise the firms from these countries to adopt deliberate strategies to overcome the image liability, e.g. by establishing assembly plants in the matured industrialised countries (See Chu *et al.* 2010).

Some studies have suggested that favourable brand names can help mitigate a negative country image (Kim and Pysarchik, 2000). Most brand country-of-origin studies have, however, focused on globally known brands (see Townsend, Yeniyurt, and Talay, 2009) and have therefore provided limited guidance to firms appearing in the international scene with unknown brands. Since the moderating effect of brands is contingent upon brand knowledge (Samiee *et al.* 2005; Kinra, 2006; Balabanis and Diamantopoulos (2008, 2011), managers of firms from emerging economies need to know the extent to which brand advertising can compensate for any potential negative country images their products may suffer.

It is widely acknowledged that the research on COO is extensive, but it appears however that past researchers have not paid too much attention to finding out the effect that the country of origin has on consumers from developed countries, when facing an unknown brand with different country cues (Schaefer, 1997; Hui and Zhou, 2003). When an unknown branded product is manufactured in a developing country or a country with a less favourable image, then the country of manufacture presents a different impact on global product attitude (Hui and Zhou, 2003). One key brand association is the country from which the brand has originated, for

example, the brand origin of Sony is Japan (Thakor and Kohli, 1996). However, when the product is manufactured in a developing country, as opposed to a developed country, which is the country of the brand origin, the information about country of manufacture produces a negative effect on product assessment (Schaefer, 1997). When the brand is unknown to the customer, the influence of geographic provenance on the process of customer choice is found to be greater than the influence generated by the brand (Essoussi and Merunka, 2007). Phau and Suntornnond (2006), on the other hand found out that Australian consumers do not rely on the country of origin when they evaluate an unknown beer brand name. They argue that consumers hesitate to evaluate unknown brand names because they may feel that inadequate information is made available to them. Hui and Zhou (2003) state that the effect of country image on brand image is moderated by both brand and country reputation, that is, the brand image of a well-known brand of a given product produced in a famous country for that product is likely to be affected differently from the brand image of a well-known brand produced in an unknown country and vice-versa.

As stated before, brand awareness is especially important when a brand has to enter a new market where it is compared with the other brands, because the more knowledge the customers have, the bigger the engagement of the potential customers with the brand (Jacobsen, 2009).

Recent studies have drawn attention to two additional marketing trends that seem to influence the country image factor. The first is the growing evidence that consumers tend to make independent purchase decisions at an increasingly younger age (Passikoff, 2005). Secondly, the information search behaviour of the younger consumers is different from those of their parents and they tend to be less influenced by country stereotypes in their purchase decisions (Ross and Harradine, 2004). Furthermore, the younger generation of consumers tends to carry less negative stereotypes of the emerging market economies such as India, China and Brazil than their parents, apparently due to the increasing flow of information through multifaceted media (Wong, Polonsky, and Garma, 2008). Thus, the increasing importance of the younger consumer market segment invites the attention of both marketing practitioners and scholars to examine the extent to which country images continue to impact the evaluation and purchase behaviour of this market segment (Josiassen, 2010).

The present study has been motivated by these observations. It builds on previous hybrid country image studies by comparing the effects of the country of design (COD), the country of assembly (COA), and the country of parts (COP) of a product with Western and non-Western countries of origin. It seeks to make two contributions to the existing literature. Firstly, it provides additional insight into the relative importance of the three sub-components of country of origin in young consumers' evaluation of high involvement products. Secondly, we seek to explore the relative advantages and disadvantages in having emerging and industrialised economies as homes for the three sub-components of the country of origin: COD, COA and COP. The aim here is to provide a stronger empirical basis for business strategy formulation for international companies located in emerging market economies. In other words, if our results suggest that emerging economy images remain unfavourable among younger consumers, firms

may seek to minimize these locational liabilities through branding strategies and/or their choice of alliance partners.

The rest of the paper is structured as follows: In section 2, we briefly reviewed the extant literature on country of origin and consumer evaluation of hybrid products in order to develop a conceptual model for the present study. We then formulated hypotheses for the empirical investigation, again drawing on knowledge from the existing literature. Afterwards, the methodological approaches used for the empirical investigation are presented, followed by the data analysis. Finally, the results of the empirical analyses are reported and discussed and the overall conclusions of the paper are drawn.

2. Literature Review and Model Development

Marketing scholars have shown substantial interest in the impact of the country of origin of products (Balabanis and Diamantopoulus, 2004; Liu and Johnson, 2005; Verlegh *et al.,* 2005; Hong and Kang, 2006; Maheswaran and Chen 2006; Pappu *et al.,* 2007). According to Wang and Lamb (1983), the country-of-origin (COO) effect is an obscure, intangible obstacle that a product or service confronts when entering a new market. A general understanding provided by the extant literature is that economic, social, and cultural systems of countries, as well as their relative stage of economic development are used by consumers as stereotypical cues in their evaluation of products and choice behaviour (Schneider, 2005; Chattalas *et. al*, 2007).From an information-processing perspective it is argued that consumers evaluate a product based on both intrinsic cues (e.g., taste, design, and other product features) and extrinsic cues (price, brand, and warranty) (Ahmed and d'Astous, 2008). As an extrinsic attribute, COO is used by consumers in the absence of information about tangible attributes (Velegh and Steenkamp, 1999; Usunier, 2006). Some previous studies have shown that consumers typically view products made in developing countries less favorably than the ones produced in developed countries (Kinra, 2006; Hu *et al.,* 2008; Wang and Yang, 2008).

For example, they associate shoe design with Italy, whisky with Scotland, and cheap production with China. By activating stereotypical beliefs, which consumers attach to one country, the COO effect becomes a category label for evaluating products from different countries (Hamzaoui and Merunka, 2006). Thus, depending on the level of economic development of a country, consumers have either positive or negative perceptions about a specific product. Western products are perceived as being of higher quality than products from developing countries (Batra *et al.,* 2000; Kaynak *et al.,* 2000)

When reviewing the literature on COO effects, one can acknowledge that there exists a huge body of empirical research. Schooler (1965) was the first to conduct an empirical study about COO and proved that consumers rate identical products based on their country of origin. Previous research depicted that COO has an impact on brand/product perceptions (Paswan and Sharma, 2004; Chinen and Sun, 2011), beliefs and attitudes (Lee and Ganesh, 1999; Knight and Calantone, 2000; Pecotich and Rosenthal, 2001), perceived quality (Teas and Agarwal, 2000;

Balduaf *et al.,* 2009) and evaluations (Huddleston *et al.,* 2001; Kaynak *et al.,* 2000; Verlegh *et al.,* 2005). COO has also been shown to influence consumer preferences (Knight and Calantone, 2000) and purchase intentions (Piron, 2000; Balabanis *et al.,* 2001; Ghalandari and Norouzi, 2012).

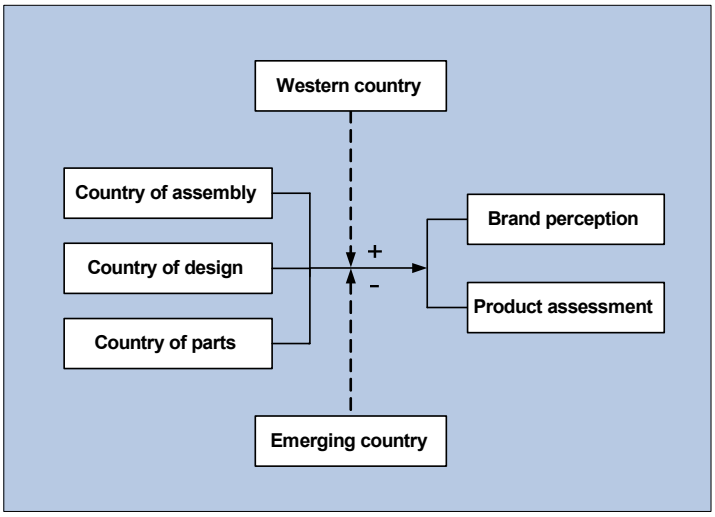
Earlier studies into COO effects have been criticised for adopting single-cue models in the research design, where respondents were required to evaluate products based on just the COO information. The awareness of the distortions in consumer perceptions that single-cue models can produce has prompted the development of multiple-cue models. Multiple-cue models are considered to be more realistic in the sense that consumers do not make choice decisions based on one single-cue. Following this understanding, several previous studies have examined the salience of such other variables as warranty (Li *et al.,* 2000), brand image (Diamantopoulos *et al.,* 2011), as well as price and distribution information in consumers' product quality evaluation and purchase decision making. For example, Nebenzahl and Jaffe (1996) studied the effect of host country location on brand image when production is sourced multi-nationally.

These types of studies have inspired a new strand of country-of-origin research in the 1990s based on the decomposition of product images into relevant COO dimensions. Scholars such as Hamzaoui and Merunka (2006), Ahmed and d'Astous, (2007) and Essoussi and Merunka (2007), have argued for the breakdown of manufactured product images into country of design (COD), country of assembly (COA), and country of origin of parts (COP).

Empirical investigations have been conducted to provide insights into how the three sub-components impact consumers' product evaluation. Hamzaoui and Merunka (2006) used a multi-dimensional concept of COO and tested the influence of country of design (COD) and country of manufacture (COM) on consumer evaluation of bi-national products (designed in one country and manufactured in another) to introduce the concept of "fit" or the logical connection between product categories and COD or COM. A three-country study should provide a more robust result. In a recent study Sadrudin *et al.* (2011) examined product category perceptions of Canadians with respect to products designed in Denmark, with or without Canadian parts and assembly. The study was aimed at discovering which product categories from Denmark are preferred and which are not. It examined the strength of the product-country association variable in comparison with other predictors of product evaluation such as technological complexity and brand-product association. Additionally, it evaluated the degree to which product-country familiarity, purchase involvement in a product class, and experience with a product class moderated the predictive strength of product-country associations.

Based on the discussions above, we propose a conceptual model, which presents the link between the COO sub-components and their influence, depending on the Western or emerging country, on brand perception and product assessment. When the different country cues represent a Western country, the impact on brand perception and product assessment is positive, while the impact of an emerging country is perceived negatively. This model has also guided our hypothesis formulation.

Figure 4.1 Conceptual Model



3. Hypotheses

A breakdown of the country-of-origin construct

Since the turn of this century, a multi-cue approach for studying the effects of COO, by deconstructing the COO construct has become an important contribution to the study of COO effects (Insch and McBride, 2004). Most of these studies have deconstructed COO into COM, COD and COA. The understanding is that the consumers' perceptions of overall country images will be moderated by the impression between these multiple cues. They forwarded the view that the country information from the three sub-components may interactively affect their product evaluations and perceptions. Products which are produced in the same country as their part source will be positively or negatively affected by the image congruency. That is, if the country enjoys a positive image, the three COO dimensions will reinforce consumer perception of the product (Chao 1998). In the same way, if the three COO dimensions are different (i.e. the product design, assembly and parts come from three separate countries) the different source images may compensate for each other. A poorer product quality perception due to association of a product with a negative country of assembly (COA) may be off-set by a more positive country-of-parts (COP) stereotype (Wang and Chen, 2004). Similarly, a poorer product quality perception due to association of the product with a negative country of parts (COP) stereotype may be mitigated by a more positive country of assembly (COA) stereotype (Kaynak *et al.*, 2000; Thakor and Lavack, 2003; Al-Sulaity and Baker, 2007).

A multi-cue approach for studying the effects of COO, by deconstructing the COO construct, which can simulate actual market conditions, has become an important contribution to the study of COO effects (Insch and McBride, 2004). While hybrid products are spreading out in

international markets with different levels of economic development, scholars have deconstructed COO into COM, COD and COA in a number of research papers. Closely dependent on this breakdown is the consumers' perceptions of overall country images which vary from country to country, by allowing stereotypical beliefs to step in. For example, they associate shoe design with Italy, whisky with Scotland, and cheap production with China. By activating stereotypical beliefs, which consumers attach to one country, the COO effect becomes a category label for evaluating products from different countries (Hamzaoui and Merunka, 2006). Thus, depending on the level of economic development of a country, consumers have either positive or negative perceptions about a specific product. Western products are perceived as being of higher quality than products from developing countries (Batra *et al.,* 2000; Kaynak *et al.,* 2000).

Based on the above, the hypothesis is as follows:

H_1: The brand perception and product assessment of hybrid products is dependent on the COO sub-components.

Impact of Western and developing countries on brand perception and product assessment

The marketing literature has long established the importance of brand names in product evaluation, and it is generally accepted that consumers often use brand names as surrogates for product quality, especially when other cues are not available. According to Essoussi and Merunka (2007) a brand can refer implicitly to the country of origin of a product and may use the image of that country to build its identity. That is, consumers' perception of a country's capacity to design a product within a particular product category will influence their evaluation of an unknown brand that purports to be designed in that country. For example, an unknown brand of consumer electronic product from Japan will be evaluated more positively than a similar product from India. In the same vein Miyazaki *et al.* (2005) argue that when intrinsic information is scarce, consumers rely on country-of-origin and price cues to assess brand quality.Others have suggested that the consumer evaluation of products is influenced by a country's stage of development. Consumers have been found to hold more negative perceptions of products made in developing countries and high perception of those products coming from the developed parts of the world (Kaynak *et al.,* 2000; Kinra, 2006; Pappu *et al.,* 2007; Hu *et al.,* 2008; Wang and Yang, 2008; Josiassen and Harzing, 2008; Usunier and Cestre, 2008).

Leaning on the works of previous scholars such as Samiee *et al.* (2005), and Kinra (2006), we argue that the moderating perception of brands associated with COO is contingent upon brand knowledge. Furthermore, since consumers' knowledge about brands is generally minimal (Balabanis and Diamantopoulos, 2008, 2011) a brand´s image may not be able to overcome negative country image (Ahmed and d'Astous, 1996; Teas and Agarwal, 2000).

To link COO to brand perception, it is clear that product characteristics and consumer evaluations play a role with regards to branding and assessment respectively. Josiassen (2010) showed that young Australian consumers' evaluation of product quality is contingent on product involvement. For lower involvement products young consumers tended to depend on the country

image for their assessment of the product quality. Consumers tend to pay closer attention to specific product characteristics in cases of high involvement purchases, especially when the brand is unknown to the target consumers (Verlegh *et al.,* 2005).
On the basis of this, we propose the following hypotheses:
H_2: A laptop designed and/or assembled in a Western country will receive a more positive brand image than a similar product assembled and/or designed in an emerging economy.
H_3: A laptop designed and/or assembled in a Western country will receive a more positive assessment than a similar product assembled and/or designed in an emerging economy.

3. Methodology

Sample measurement and data collection

This study employed a 3(COO: India, USA and Denmark) X 2(Brand perception and product assessment) design in which the respondents were asked to evaluate a high involvement product, a laptop, with an unknown brand in separate evaluation mode. The questionnaire was administered to 245 students at Aalborg University in Denmark, because the younger generation of consumers are often viewed as the first global consumer segment due to their exposure to worldwide communications via the internet (Walker, 1996). They have developed a diversity of perspectives and created a patchwork culture that is not indigenous to any one country (Knight and Kim, 2007). All surveys were hand distributed and collected by the researcher. The sample may be characterised as a non-probability (purposive) quota sample. The demographic and socioeconomic profile of the respondents is presented in Table 4.1.

Table 4.1 Sample's socio-demographic profile (N=243)

Demographic characteristics	%
Gender	
Females	32,5
Males	67,5
Age	
21 years and below	16
22-25	47,7
Over 26	36,2
Field of study	
Humanities	10,7
Social Sciences	36,2
Engineering	53,1
Monthly income [a]	
Below 4500 DKK	20,6
4500 - 6500	47,7
7000 DKK and above	31,7

[a] Income in DKK (Danske Kroner). 1 DKK= 0,13 EUR

The survey instrument was written in English and pretested on a few students prior to the actual data collection (see Appendix 4.1). In the first two sections of the questionnaire, the respondents were asked to assess the product and in section 3 they were asked to evaluate the overall brand perception. These items were all rated on a seven-point Likert scale, and were self-generated based on Laroche *et al.* (2005) (for brand perception) and Nebenzahl and Jaffe (1996), and Yoo *et al.* (2000) (for product assessment). Finally, some socioeconomic and demographic information, like gender, age, field of study and income were collected from the respondents.

Five different adsof the same laptop, but with different COOs were shown to the respondents, i.e. one poster to every 50 students. A picture of the product together with a list of PC features, software package (see Textbox 1 and Appendix 4.2) and a price of DKK 6495 (U.S 1070) were included in the ad. The price was chosen to parallel realistic prices for PCs with similar features and software packages at the time of the study. A fictitious brand name-Apollo computer was selected to minimize response biases which can result from a well-established computer brand. Furthermore, the reasoning behind using a fictitious brand was to identify the consumers' perception of potential new brands, which will help managers in identifying potential customers and form effective marketing strategies.

The adverts were organised in the following way: the Country of Design (COD) is represented by India, the USA and Denmark; the Country of Assembly (COA) is represented by India and Denmark; the Country of Parts (COP) in all five cases was represented by the USA. The five adverts were comprised of the following permutations of COO sub-components: Specifically, for the first design both COD and COA are represented by India (this group is named COO1); for the second design, COD is Denmark and COA is India (COO2); the third design represents India as COD and the USA as COA (COO3); the fourth design represents both COD and COA as Denmark (COO4), and finally the last design shows the USA as COD and Denmark as COA (COO5).

These three countries were chosen based on the following criteria: 1. The three countries represent both emerging (India) and developed countries (USA and Denmark). 2. India was selected as the only developing market due to its rapidly growing laptop & PC Industry, which in the first quarter of 2011 reached a growth of 6% (2.6 million units) (Vadlamani, 2011). India is also a well-known producer of laptops, with own brands like HCL, Wipro Technologies and Zenith, which are internationally recognised due to their wireless technological capabilities. 3. The USA was selected due to its tradition of manufacturing and designing well-known laptop brands like Apple, Compaq and Dell. 4. Denmark was chosen, because the Danish consumers are keen on using modern electronics that combine the latest technological innovations. According to the Euromonitor report on computers and peripherals in Denmark (2012), computers and laptops will have a projected retail volume of 3%.

Textbox 1. Product features

Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)
System Memory 4GB (DDR3 / 2GB x 2)
HDD 500GB (5, 400rpm S-ATA)
15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss
Graphic Processor nVidia GeForce GT 330M
Audio Intel High Definition Sound
Speaker 4W Stereo Speaker (2W x 2)
Integrated Camera 1.3MP
Wireless LAN 802.11bg/n* Compliant
DVD±RW (±R DL) / DVD-RAM
HDMI port
Weight 2.80kg
Battery 6 Cell Lithium-Ion battery (up to 3 hours)

4. Data Analysis

Prior to the data analysis, the collected data were screened for unusual replies and the final number of questionnaires considered usable for the study was 243.The data analysis was performed in three steps. Firstly, the seven point bipolar scale responses to product assessment and brand perception were subjected to scale reliability analysis. Secondly, we conducted exploratory principal component analyses (PCA) of the items describing the two constructs in our model – product assessment and brand perception. Finally, we conducted an Analysis of variance (ANOVA) to investigate the specified hypotheses. All analyses were done using the SPSS version 20. Although some socioeconomic and demographic data were collected, our focus at this stage was on the one way impact of the cohort groups on student product assessment and brand perception.

5. Results

Scale analysis and PCA of the measures

A measure of the respondents' assessment of the unknown product, as well as their perception of the unknown brand, used a seven-point bipolar scale. The reliability analysis was performed for the scales and the Cronbach's alpha coefficients were 0.81 for product assessment and 0.87 for brand perception. The average mean were 4.06 and 3.27 for product assessment and brand perception respectively (see Table 4.2).

Table 4.2 Measures of the seven point scale analysis

Scale	Items
Product assessment (α = .81; M = 4.06)	Bad/Good product; Undesirable/Desirable; Inferior/Superior; Unpleasant/Pleasant
Brand perception (α = .87 ; M = 3.27)	Bad/Good product; Unsatisfactory/ Satisfactory; Unfavourable/Favourable; Not willing to buy it at all / Very willing

α= Alpha; M=Mean; SD= Standard Deviation

The results of the principal component analyses revealed two components with items relating to 'product assessment' and 'brand perception' being measured on each of their components. Firstly, it was observed that the factor loadings were at least .3, suggesting reasonable factorability. Secondly, the Kaiser-Meyer-Olkin measure of sampling adequacy was .868, above the commonly recommended value of .6, and Bartlett's test of sphericity was significant ($\chi 2$ = 972.890, $p < 0.000$). The diagonals of the anti-image correlation matrix demonstrated that the measures of sampling adequacy were over 0.6. Finally, the communalities were above 0.5, further confirming that each item shared some common variance with other items. Therefore, it was considered appropriate to factor analyse the data. Factor loadings are shown in Table 4.3. The estimated component factor scores were later used for ANOVA.

Table 4.3 PCA and component factor loadings (n = 243)

	Items	Initial Factor loadings [a]	Rotated loadings [a] for Brand Perception	Rotated loadings [a] for Product Assessment
1.	Bad/Good product	.518	.353	.627
2.	Awful/Nice product.	.657	.208	.784
3.	Undesirable/Desirable product	.667	.182	.796
4.	Inferior/Superior product	.457	.201	.646
5.	Unpleasant/Pleasant product	.552	.113	.734
6.	Bad/Good brand	.758	.849	.192
7.	Unsatisfactory/ Satisfactory brand	.790	.846	.274
8.	Unfavourable/Favourable brand	.794	.878	.153
9.	Not willing at all to buy the product/ Very willing	.584	.715	.270

Note: [a] Only loadings with a value of greater than 0.5 are of main relevance.

Results of the Analysis of Variance (ANOVA)

As mentioned earlier, we used ANOVA models to investigate the impact of the 5 country-of-origin sub-components on product assessment and brand perception. The estimated functional form for our models is as follows:

$$Y_{ij} = \alpha_0 + \alpha_j X_{ij} + \varepsilon_{ij}$$

i represents an individual respondent; Y is a vector of 2 component factor scores for product assessment and brand perception. The α_0, is the mean of the referenced category of the cohort groups, αj are the parameter estimates of the rest of the categories in the group X, and εij the error term assumed to be normally distributed $N(0,\sigma 2)$.

The estimated model ANOVA results were significant ($p<0.01$, $F=3.3$, $DF=4$), and ($p<0.05$, $F=3.2$, $DF=4$) respectively for student brand perception and product assessment, which suggests that the H1, i.e. brand perception and product assessment of hybrid products is dependent on the COO sub-components, is confirmed. Hence, student respondents do find the countries of origin important when forming their brand perception or assessing the product. The size of the unique R2 for the relationship between the different countries of origin and the respondents' brand perception is 5.5 %,with the number for the product assessment being 5.3%. The mean component factor score and test differences are presented in Table 4.4.

Table 4.4 Distribution of respondents and mean estimates of Brand Perception and Product Assessment by the COO groups

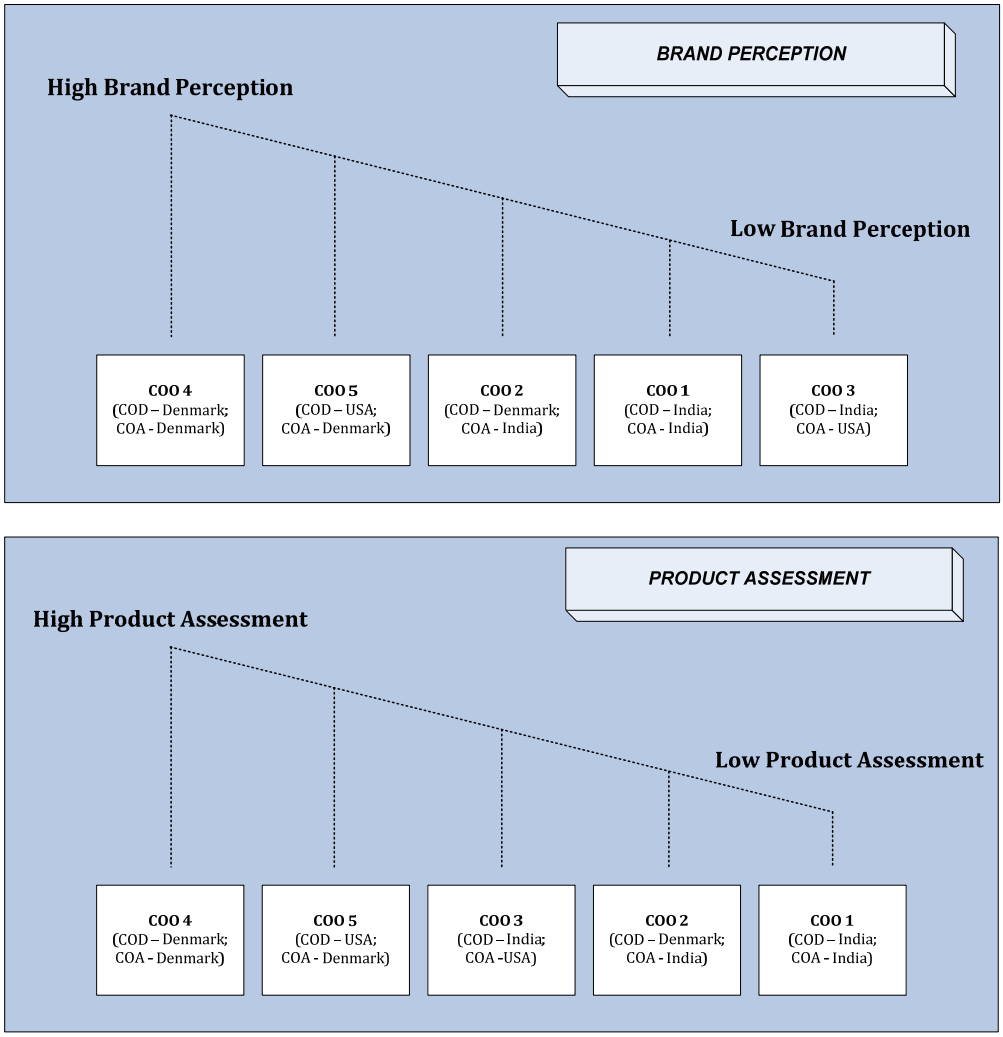
	Respondents		Brand Perception		Product Assessment	
		%	Mean	SE	Mean	SE
Total	243	100				
COO1 (COD-India; COA- India; COP - USA)	43	17.7	-.061[b]	.150	-.417[c]	.150
COO2 (COD-Denmark; COA- India; COP – USA)	48	19.8	.025[a]	.142	-.134[b]	.142
COO3 (COD-India; COA-USA; COP – USA)	54	22.2	-.342[c]	.134	.083[a]	.134
COO4 (COD-Denmark; COA-Denmark; COP – USA)	51	21	.361[a]	.137	.231[a]	.137
COO5 (COD- USA; COA-Denmark; COP - USA	47	19.3	.031[a]	.143	.172[a]	.143

Notes: Mean values with the same alphabet within columns are not significantly different

When looking at Table 4.4, high marginal mean values, represent positive perception or assessment. The estimated marginal means suggest that for brand perception, COO4, COO5 and COO2 present the highest values, which means that the laptop which was designed and/or assembled in a developed country such as Denmark or the USA received a higher value than the same laptop designed and/or assembled in a developing country such as India. Similarly, when assessing the product, the respondents ranked the laptops with COD and COA coming from developed countries as the highest. These findings therefore support hypotheses H2 and H3.

For a clearer illustration of the results, the marginal means of the different COO sub-components are presented on a line indicating the brand perception and product assessment from high to low of the respondents' scores as shown in Figure 4.2.

Figure 4.2 Ranking of the product based on its country of origin



4. Discussions and Conclusions

The present study seeks to examine whether the impact of COO on the brand perception and product assessment of hybrid products is dependent on the COO sub-components, and whether a product which is designed and/or assembled in a developed country receives a higher evaluation than a product with the same features from a developing country.

The results show that the brand perception and product assessment of hybrid products is dependent on the COO sub-components, and the respondents, comprising students at Aalborg University, are more likely to evaluate high involvement products, in this case a laptop, more favorably if it is designed and/or assembled in a developed country.

The results suggest that emerging economy images remain unfavourable among younger consumers and firms may minimize these liabilities through branding strategies and/or their choice of alliance partners. These results are consistent with past findings from studies on the effect of COO on the consumers' evaluation of products. For example, Hamzaoui and Merunka (2006), and Essoussi and Merunka (2007) have argued that the country information from the three sub-components may affect the consumer's product evaluations and perceptions. Similarly, Kaynak *et al.* (2000) found out in their study that Western products are perceived as being of higher quality than products from developing countries. On the other hand, authors like Hui and Zhou (2003), Hamin and Elliott (2006), Wong *et al.* (2008) and Ahmed *et al.* (2011) have found no significant effect of COO sub-components on consumer product assessment or purchase intentions. For example, Wong *et al.* (2008) examined the extent to which COD, COA and COM affects the quality perceptions and purchase intentions of Chinese students, studying at different Australian Universities, for high involvement products, such as cars and digital cameras and Ahmed *et al.* (2011) examined how Canadian consumers perceive bi-national products (one congruent with Denmark and one non congruent with Denmark) and found that product country congruency has a greater impact on consumer evaluations than COO. Hamin and Elliott (2006) investigated the effects of COA, COD and consumer ethnocentrism (CE) on the Indonesian consumers' quality, price and value perception of TV brands (Sony and Polytron) and found that brand is the most important factor, followed by COA and COD, while Hui and Zhou (2003) examined the impact of COM on the US consumers' perception of brands (Sony and Sanyo) and brand equity and discovered that COM does not have a significant effect on brand evaluation, when the information is congruent with the brand origin. These inconclusive results are based mainly on the fact that while these studies focused on actual brands, the present study aimed at testing the impact of COO sub-components on a fictitious new brand in order to provide scholars and practitioners with an additional insight into the importance of the country of origin.

Thus, the study holds some implications for marketing practice. The findings are consistent with results from consumer studies showing that country of origin matters, although some consumers may react positively to high involvement products coming from developing countries. It is strategically purposeful for managers to mask the liabilities of a negative country

image of the specific product they want to market, by selecting a brand name that disguises the country of origin or even select a brand name that suggests that it originates in a more favourably perceived country. Another strategy to cope with COO stereotypes that companies could take into consideration is to use highly respected distribution channels, as this may positively influence consumer attitudes towards a product..

This study has some limitations, including the type of product and the research context chosen. It would be interesting to determine the effects of COD, COA and COP for other high involvement products or even products with a low level of involvement. Furthermore, even though we collected data from a developed market (Denmark), we cannot conclude that these results are representative of different developed countries, and thus, a replication of this study in other developed countries would be welcomed. Finally, since demographic characteristics have not been included in this study, it would be interesting to find out, whether income, gender or age play a role in the greater flexibility of product evaluation, which would be a potential prospect for future endeavors.

5 Paper III: The Effect of Country of Origin and Consumer Ethnocentrism on Brand Perception

Country-of-origin Effect and Consumer Ethnocentrism:

The Brand Perception of Romanian Consumers of a Danish Beer Brand

Andreea Iacob

Abstract. *This study examines the impact of consumer ethnocentrism and country of origin of a low involvement product on consumer brand perception and purchase behaviour in a transitional market setting of Central and Eastern Europe. Data were collected from 317 respondents from an urban population in 3 large cities in Romania. The results show that country of origin has a significant impact on the consumers' perception of the Danish beer brand Tuborg. The results show statistically significant associations between consumer ethnocentrism taxation and buying Romanian products; as well as between demographic characteristics and brand perception.*

Keywords: Consumer ethnocentrism, country of origin, Romania, brand perception.

1. Introduction

International marketing research has long been concerned with examining whether consumers prefer domestic products, as opposed to foreign products and how the country of origin of the foreign product is perceived (Evanschitzky*et al.,* 2008). Marketing scholars have also long argued that the cause of the appearance of country-of-origin (COO) effect can be found in consumer ethnocentrism (CE) (Stoltman*et al.,* 1991; Lantz and Loeb, 1996; Lee and Ganesh, 1999; Chryssochoidis*et al.,* 2007). There has also been substantial research interest in country-of-origin effects on foreign and domestic brands (Klein *et al.,* 1998; Balabanis and Diamantopoulus, 2004; Liu and Johnson, 2005; Verlegh *et al.,* 2005; Hong and Kang, 2006;

of origin is defined as "the country of manufacture or assembly" identified by "made in" or "manufactured in" labels. But due to multi-national companies evolving into trans-national companies and the emergence of hybrid products coming from different countries, the image of the made-in label has been blurred (Baker and Michie, 1995; Ahmed *et al.*, 2004). According to Altintas and Tokol (2007) consumer ethnocentrism has a major influence on a consumer's decision to buy a domestically-produced product, rather than a foreign product. In addition to this, it has also been shown that consumers usually perceive products made in developed countries to be of higher quality compared with products made in emerging markets (Pappu *et al.*, 2007; Josiassen and Harzing, 2008; Usunier and Cestre, 2008). In a study conducted by Hamin and Elliott (2006) in countries such as Mexico, the Philippines, Jordan and Nigeria, the consumers seemed to rate products from more developed countries more highly than domestic products. That said, these authors also noted that alongside the generalised preference for products originating from developed countries, there is also evidence to suggest that some consumers will always prefer to buy products manufactured in their home country (Beverland, 2001; Pecotich and Rosenthal, 2001; Dmitrovic, Vida and Reardon, 2008).

Previous research into the relationship between COO and CE included both low and high involvement products. While studies involving high involvement products have dominated this stream of research, a few scholars have also introduced low involvement products as being prone to COO and CE effects (Ahmed *et al.*, 2004; Chryssochoidis *et al.*, 2007). For example, Ahmed *et al.* (2004) conducted a study on Singaporean students with regard to two low involvement products, coffee and bread, and found that COO does appear to affect the Singaporean consumers' evaluation of coffee and bread brands, and that developed countries of origin (Switzerland and France) were more appreciated than emerging countries of origin (Singapore, Indonesia and Malaysia). Chryssochoidis *et al.* (2007) evaluated the level of ethnocentrism of Greek consumers, and investigated the CE-COO effect relationship and implications on consumers' perceptions regarding imported food products, like beer, ham and cheese. The results showed that CE affects consumer beliefs and how the perceived quality of domestic and foreign products are evaluated, culminating in the appearance of COO-effects. On the other hand, Kwok *et al.* (2006) conducted a study on Chinese consumers and investigated the impact of COO of different grocery brands on purchase behaviour and found out that Chinese consumers prefer to buy local Chinese grocery brands rather than foreign ones, although this preference for local brands was not reflected in their purchase behaviour, due to the possibility that the Chinese consumers did not know the true origin of the brands, and perhaps they were unable to act according to their preferences. Since there are mixed views on whether a developed country of origin has an impact on how consumers perceive low involvement local products, authors like Almonte *et al.* (1995), Bailey and Gutierrez de Pineres (1997), Kwok *et al.* (2006), and Kumar *et al.* (2009) call for additional research to be undertaken with low involvement products in the field of COO and CE. This study will try to bring additional insights into the impact of COO and CE on a low involvement product.

Until the turn of this century, limited empirical studies have been conducted on the impact of COO and CE on consumer behaviour in emerging market economies (Kinra, 2006; Liu

et al., 2006; Chryssochoidis *et al.*, 2007; Ferguson *et al.,* 2008; Zolfagharian and Sun, 2010). The systemic political and economic changes in the Central and Eastern European countries during the past two decades have provided both academic and strategic marketing management justifications for the increasing number of studies in the field (Beverland, 2001; Pecotich and Rosenthal, 2001; Dmitrovic *et al.*, 2009).

Recent studies in the field of the country-of-origin effect and ethnocentric perceptions show consumer behavioural tendencies not only towards local and foreign products in general but more specifically brands (Kinra, 2006; Chryssochoidis *et al.*, 2007; Ferguson *et al.,* 2008). Kinra (2006) for example investigated the Indian consumers' attitudes towards local and foreign brands and found that foreign brands were perceived as being more reliable and safe than local brands, thus displaying a low level of ethnocentric tendencies. On the other hand, some scholars suggested that CE has no influence on the COO effect (Yagci, 2001; Sharma, 2011). For example Sharma (2011) investigated the role of CE in COO effects for consumers from the USA and the UK with regard to cars and found that ethnocentrism does not interact with COO and has a weak negative effect on the consumers' product evaluation and behavioural intentions for imported products. Yagci (2001) examined whether brand image overrides the effect of CE under different COOs. Brand image was found to be the most important variable in predicting the consumers' attitude toward the product, quality perception, and purchase intention. CE affects brand evaluations when the product is manufactured in its home country (i.e., BMW in Germany). In the relationship between CE and COO, consumer ethnocentrism becomes a significant predictor only when the product is manufactured in less-developed/liked country (i.e. S. Korea). It was found that CE has a greater importance than COO., and consumer ethnocentrism becomes a significant predictor only when the product is manufactured in less-developed/liked countries. The results of the studies mentioned above have been inconclusive, and thus scholars have called for additional contributions to this emerging stream of research (Ahmed *et al.,* 2004).

In spite of the extensive research about COO effects and CE on consumers in developed markets to a greater extent than in emerging markets, some inconclusive findings arise: some studies show a negative effect of consumer ethnocentrism on the evaluation of foreign products by consumers in emerging markets (Klein *et al.*, 2006), whereas others show either no significant effect (Huddleston *et al.*, 2001), or different effects based on product type (Hamin and Elliot, 2006), perceptions about domestic products (Wang and Chen, 2004). It has also been noted that most studies have focused on high involvement products where consumers look for other cues such as price or design when making their purchase decision. To date, there have only been a few studies on the impact of consumers' COO perceptions on low involvement products. Thus, the available knowledge of how COO shapes consumers' brand perception of low involvement foreign goods is limited. It has been suggested that it may be useful for marketing managers to know if the relationships between COO, CE and brand perception is the same for low involvement products as it is for high involvement products (Ahmed *et al.*, 2004).

The low involvement product chosen for this study is beer. Previous studies involving beer have been undertaken by Schaefer (1997), Phau and Sunttornnond (2006) and

Chryssochoidis *et al.,* (2007), who found that beer is a good denominator of COO and CE effects. Schaefer (1997) investigated the relationship between dimensions of consumer knowledge and the use of COO cues on beer from Germany, Belgium, UK, The Netherlands, Australia, and Denmark. The findings suggested that brand familiarity has a significant effect on the use of the COO cue in product evaluation, while subjective product knowledge and personal experience with a brand were not found to have a significant effect on the use of COO in product evaluation. Phau and Sunttornnond (2006) wanted to determine how different dimensions of consumer knowledge can affect COO cues and found that COO information actually affects Australian consumers in their evaluation of beer products. Furthermore, Chryssochoidis *et al.* (2007) found that for ethnocentric Greek consumers, the COO effect is country-specific. When the foreign country of origin is given, the COO effect is product-specific. For the non-ethnocentric consumers, COO does not lead to an overall acceptance or rejection, but instead it is attribute-specific.

The beer chosen for this study is Tuborg, which is a Danish beer brand. The reason why Tuborg was chosen is due to its popularity and familiarity among European consumers. Belonging to the Carlsberg Group, Tuborg is Denmark's best-selling lager beer, present in more than 70 countries worldwide. Since Eastern Europe is regarded as the biggest potential growth market alongside Asia (Carlsberg Group, 2013), Romania was chosen as the country of research due to the fact that beer consumption in Romania has become very popular in the last few years.

As laid out above, this study examines the level of consumer ethnocentrism (CE) and its implication on the consumers' evaluation of a specific foreign beer brand. Furthermore it seeks to test whether country of origin matters in connection to the consumers' brand perception and what kind of impact demographic characteristics exhibit on brand perception. Thus, the study seeks to make additional contributions to the limited empirical research knowledge about the links between COO, CE and brand perception involving internationally acknowledged brands. Furthermore, by situating the study in the transitional economy of Romania, it provides additional evidence on how rapid systemic changes in economies impact consumer attitudes and behaviour.

The rest of the paper is structured as follows: In section 2, the extant literature on consumer ethnocentrism, country of origin and brand perception is briefly reviewed and hypotheses are formulated for the empirical investigation in section 3. Here, a presentation of the methodological approaches used for the empirical investigation is presented and the results of the empirical analyses are reported. Finally, section 4 discusses the findings and provides conclusions.

2. Literature Review and Model Development

Previous studies have suggested that the country-of-origin effect can be observed in two ways: halo effect and summary construct (Jaffe and Nebenzahl, 2001).The halo effect comes into play when consumers are not familiar with the products of a country, then the country

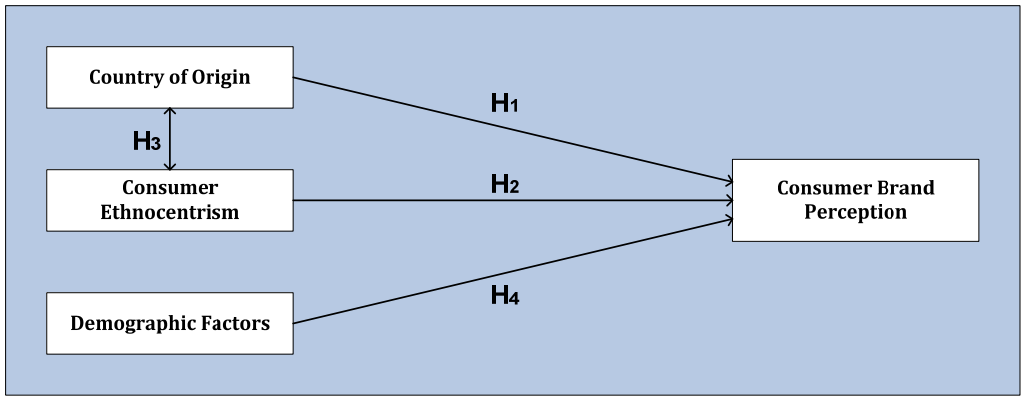
image acts as a "halo" that directly affects consumers' beliefs about these products. This means that stereotypes about that specific country come into the consumer's mind. A general understanding provided by the extant literature is that economic, social, and cultural systems of countries as well as their relative stage of economic development are used by consumers as stereotypical cues in their evaluation of products and choice behaviour (Bilkey and Nes, 1982; Tse and Gorn, 1993). On the other hand, when consumers are familiar with a country's products, the summary construct model comes into play, in which consumers infer a country's image from its product information, which then indirectly influences brand attitudes (Han, 1989).

As mentioned above, previous research on the COO effect on consumer behaviour also introduced the term of consumer ethnocentrism as being the cause of its appearance, thus presenting a close relationship between the two terminologies. CE represents an individual tendency to view the purchasing of imported products as wrong as it hurts the domestic economy and is not congruent with their in-group feelings of patriotism and belongingness to their societies (Shimp and Sharma, 1987; Granzin and Olsen, 1998). It may lead to overestimating the quality of locally made products while underestimating the quality of foreign-made products (Huddleston *et al.*, 2001; Suh and Kwon, 2002; Erdogan and Uzkurt, 2010). These perceptions tend to be guided by rational, emotional and even moral considerations. Watson and Wright (2000) believe that in connection with the country-of-origin effect these perceptions represent consumer behaviour not only towards local and foreign products in general but more specifically, brands.

Consumer ethnocentrism is affected by many factors. One of them is the product type, where previous research found out that the impact of CE varies among product categories. Sharma *et al.* (1995), argued that low involvement products, are more prone to ethnocentric tendencies. Also, Javalgi *et al.* (2005) found that the impact of CE on purchasing intentions of a particular product is moderate when this product is perceived as absolutely necessary. One other factor which has shown a direct impact on consumer ethnocentrism is the level of development of the consumers' home country. According to Wang and Chen (2004), consumers from a developed country tend to appreciate domestic products more favorably than imported ones, leading to a greater degree of ethnocentrism and thus a higher tendency to reject foreign products. The reverse has been observed in developing countries, where consumers perceive Western products as superior. It has also beenshown that consumers typically view products made in developing countries less favourably than the ones manufactured in developed countries (Cordell, 1993; Lin and Sternquist, 1994; Kinra, 2006; Hu *et al.,* 2008; Wang and Yang, 2008). Furthermore Balabanis and Diamantopoulos (2004) argued that CE is mostly related to consumers showing a preference for domestic products but not necessarily rejecting foreign ones. Finally, they assert that the CE impact varies significantly among different product categories and countries of origin.

Based on the discussion above, a conceptual model is proposed, in order to test the relationships between COO, CE and demographics and their impact on brand perception. The model has also guided the hypothesis formulation.

Figure 5.1 Conceptual Model



3. Hypotheses

The country-of-origin effect on brand perception

From an information-processing perspective it is argued that consumers evaluate a product based on both intrinsic cues (e.g., taste, design, and other product features) and extrinsic cues (price, brand, and warranty) (Ahmed and d'Astous, 2008). As an extrinsic attribute, COO is used by consumers in the absence of information about tangible attributes (Han, 1989; Han and Terpstra, 1988).

When reviewing the literature on COO effects, one can acknowledge that there exists a huge body of empirical research. Schooler (1965) was the first to conduct an empirical study about COO and proved that consumers rate identical products based on their country of origin. Previous research depicted that COO has an impact on brand/product perceptions (Etzel and Walker, 1974; Han and Terpstra, 1988; Leonidou *et al.,* 1999; Paswan and Sharma, 2004), beliefs and attitudes (Lee and Ganesh, 1999; Knight and Calantone, 2000), perceived quality (White and Cundiff, 1978; Han and Terpstra, 1988; Teas and Agarwal, 2000; Baldauf *et al.,* 2009) and evaluations (Hong and Wyer, 1989; Roth and Romeo, 1992; Verlegh*et al.,* 2005), and that certain aspects interact to moderate the COO effect on product evaluation (Gürhan-Canli and Maheswaran, 2000). COO has also been shown to influence consumer preferences (Knight and Calantone, 2000) and purchase intentions (Roth and Romeo, 1992; Nebenzahl and Jaffe, 1996; Ghalandari and Norouzi, 2012).

A number of scholars have observed that consumers from developing countries perceive Western products as superior and seek to emulate Western consumption practices and lifestyles and purchase foreign brands (Cordell, 1993; Lin and Sternquist, 1994; Kinra, 2006; Hu *et al.,* 2008; Wang and Yang, 2008). For example, Kinra (2006) found out in a study conducted in India, towards local and foreign brands, that consumers do evaluate foreign Western brands more

favourably than local ones. On the other hand, the study conducted by Saffu and Scott (2009) in Malaysia and Papuan New Guinea (PNG), showed that consumers from Malaysia evaluated their home country products higher than Western ones, while PNG consumers rated their home country product quality as the lowest one.

Based on the discussions above, the following hypothesis is drawn:

H_1: A Western country of origin will have a positive impact on Romanian consumers' beer brand perception.

Consumer ethnocentrism and brand perception

Wang and Chen (2004) state that consumers from a developed country have a tendency to evaluate domestic products more favorably than imported ones, thus increasing the impact of ethnocentricity when it comes to buying the local brand/product over the foreign one. When looking at consumers from developing countries this phenomenon is reversed, they tend to perceive foreign products, especially the ones coming from Western countries, as superior in quality to local products. Furthermore, Balabanis and Diamantopoulos (2004) argue that CE is a more of a "consistent predictor" of preferences for locally-made products rather than foreign products, thus asserting that consumer ethnocentrism leads to the preference of domestic products but not necessarily to the rejection of foreign ones.

One of the predominant factors which affect CE is the type of product. The less important the product category is, the higher the ethnocentric tendency of the consumer (Sharma et. al, 1995; Balabanis and Diamantopoulos, 2004). Previous research explored the ethnocentric tendency of consumers concerning food products (Sajdakowska, 2003) or clothing (O'Cass and Lim, 2002). Emerging economies are becoming increasingly interesting for marketing scholars in terms of CE. The focus in recent years has leaned towards Eastern Europe (Parts, 2007 in the Baltic States; Vida and Damjan, 2000 in Slovenia; Cumberland *et al.,* 2010 in Poland), India (Bawa, 2004; Khan and Rizvi, 2008), Turkey (Dedeoglu *et al.,* 2005), Russia (Puzakova *et al.,* 2010), and China (Hsu and Nien, 2008). Based on the above, the hypothesis is as follows:

H_2: The higher the degree of ethnocentric tendencies of the Romanian consumers, the higher their negative perception of Tuborg beer brand will be.

Relationship between country of origin and consumer ethnocentrism and their effect on brand perception

The relationship between COO and CE was also proven to be significant by a number of scholars: Kinra, 2006; Chryssochoidis *et al.*, 2007; Zolfagharian and Sun, 2010. Kinra (2006) for example investigated the Indian consumers' attitudes towards local and foreign brands, by looking at the COO effect and ethnocentric tendencies. The findings suggested that foreign brands were perceived as being more reliable and safe by Indian consumers, than their local

brands. COO credibility was rated high for foreign brands, particularly for consumer durables and the ethnocentricity level was rather low. Liu *et al.* (2006) examined how CE relates to the Chinese consumers' brand evaluation across 3 brand naming strategies of a store sign: Chinese name, English and Chinese name and English and Chinese name with the brands' COO, and found that a high ethnocentric level has a negative impact on the evaluation of a store sign containing a foreign brand name and a foreign COO. Thus, the interaction between COO and CE on foreign brand evaluation was significant. Furthermore, Chryssochoidis *et al.* (2007) investigated the CE-COO effect relationship and implications on consumers' perceptions regarding imported food products, like beer, ham and cheese. The results showed that CE affects consumer beliefs and how the perceived quality of domestic and foreign products are evaluated, culminating in the appearance of COO-effects. Based on these findings, the hypothesis is as follows.

H_3: *There is a positive association between the COO-CE relationship and the Romanian consumers' beer brand perception.*

Demographic characteristics and brand perception

The conceptual model presented above depicts the most frequently investigated demographic factors of gender, age, education and income. These factors generally reflect what could be termed as an individual's time line for demand or consumption of a particular good. These factors form the core of the consumer market segmentation that is of interest for the marketing manager. The extent to which these demographic factors might influence brand perception may be due to their country specific ethnocentric tendencies or country-of-origin (COO) influences.

With respect to gender, empirical investigations have produced contradictory results. Schooler (1971) and Samiee *et al.* (2005) found that females are less ethnocentric than their male counterparts and are hence more prone to rate foreign-made products more favorably. However, the studies by Vida and Fairhurst, (1999), Balabanis *et al.* (2001), as well as by Javalgi *et al.* (2005) found women to exhibit more ethnocentric tendencies in their consumption decisions than men. For COO effects, the research conducted by Ahmed *et al.* (2004) found no significant differences between males and females in their mean likelihood of purchasing each product from different countries. These mixed results may be partly explained in terms of the age, education or income of the consumer involved in the studies.

Research reports evaluating the role of age suggested that older consumers are more ethnocentric than younger consumers, which suggests that older consumers find it more difficult to switch to other brands, including foreign brands (Han and Terpstra, 1988; Balabanis *et al.,* 2001; Wang *et al.*, 2004). However, the exact opposite has been suggested by Bannister and Saunders (1978) as well as Mittal and Tsiros (1995), that is, that younger consumers are more ethnocentric,. Similarly, research studies reported that older people show stronger country-of-origin effects (Schellinck, 1989; Wall *et al.,* 1991; Schaefer, 1997), while others suggested that

younger rather than older consumers exhibited a greater COO effect for Mexican and US consumers (Insch and McBride, 2004).

The level of education could alter consumer perception of product brands. However, this needs to be linked to the length or the type of educational level attained prior to the specific purchase decision making. A well-educated consumer with less ethnocentric tendencies is expected to exhibit a positive attitude towards foreign or imported product brands, suggesting that COO is less important for their purchasing decisions. These are the views reported by Festervand *et al.* (1985), Ueltschy (1998) and Erdogan and Uzkurt (2010). However, one cannot exclude the possibility of the opposite view. Consumers with a high level of education may be exposed to the need for acting to support domestic production biasing them against foreign products and making them exhibit more ethnocentric tendencies and negativity towards the positive impact of COO effect. This might especially be the case if the quality of the domestic product matches the foreign one.

Generally, it is expected that consumers with a high level of income would be more attracted to foreign products, with high price levels and positive COO effect. Wall *et al.* (1990) reported positive attitude towards foreign products when income is high, Good and Huddleston (1995), and Bailey and Pineres (1997) also showed that if the consumer's income is high, the probability of buying domestic products is lower. However, McLain and Sternquist (1991) found no such relationship between the income level and product brand perception. The general conclusion from these studies is that the influence of consumer ethnocentrism and COO on brand perception is dependent of demographic factors. Hence, the hypothesis is as follows:

H_4: The Romanian consumers' perception of a foreign beer brand is dependent of demographic factors such as age, education and income.

4. Research Context

The Romanian beer market

With a population of 21.5 million people, Romania is one of the bigger former communist countries in Eastern Europe that joined the European Union in 2007. The GDP per capita is around 8300 USD, which is only 47% of the average EU-27 income. During the first years of the financial crisis, 2008-2009 the national GDP dropped 9.4%, but the World Bank predicts an annual average growth of 2.5% since 2011. The unemployment rate is lower than in the EU-27 countries with 6.7%.

Beer consumption in Romania has become very popular in the last few years. Between 1996 and 2001, beer consumption per capita increased from 37.4 liters to 56.9 liters, but still slightly below the average Eastern European consumer consumption of 60.6 liters (Larimo *et al.,* 2006). In 2009 beer sales amounted to 87.4 liters and are expected to rise to 110 liters in 2016 (Business Monitor International, 2012). Concerning the value sales, in 2010 the total value of

the market was approximately 916.15 million USD, while in 2016 the market is expected to reach a volume size of 1977 liters and a value size of approximately 1.4 billion USD (Business Monitor International, 2012).

The key players on the Romanian market are: SABMiller (South Africa) with a 26% market share, Heineken (Netherlands) with a 24% market share, Anheuser-Busch InBev (USA) with a 14% market share, Carlsberg (Denmark) with a 12% market share, and European Drinks (Romania) with a 5% market share. While only one main player in the market is Romanian, other big international brands buy local brands, like Ursus acquired by SABMiller, or Bergenbier acquired by InBev. The only foreign beer company that did not acquire a local brand is Carlsberg, which entered the market through a license agreement, with popular beer brands such as Tuborg, Carlsberg and Skol.

5. Methodology

Data Collection Process

The questionnaire was first written in English and then translated into Romanian by one of the authors and then back-translated by another Romanian fluent in both English and Romanian to make sure that all idioms and Romanian expressions were correct. It was then pretested on Romanian students studying at Aalborg University, to check for any misunderstandings. The questionnaire was administered to an urban population in Bucharest, Cluj-Napoca and Sibiu – three major cities in Romania, using the mall intercept method, leaving 317 questionnaires usable for the analysis.

Survey Instrument

The questionnaire was developed containing three major sections (see Appendix 5.1). The first section covers the demographic data, specifically gender, age, education and monthly income. The second section contains questions relating to the Tuborg beer. Each of the items was evaluated using a 5 item Likert-type scale), ranging from strongly disagree (coded 1) to strongly agree (coded 5). The third section of the questionnaire consists of questions related to consumer ethnocentrism using the CETSCALE (Consumer Ethnocentric Tendencies Scale), a 17-item questionnaire, developed by Shimp and Sharma (1987) to measure consumer ethnocentrism which is based on the same 5 ranged Likert-type scale as described earlier. Table 5.1 shows the demographical distribution of the respondents.

Table 5.1 The percentage distribution of the socio-demographic profile of the 317 respondents

Demographic characteristics	%
Gender	
Female	57.4
Male	42.6
Age in years	
< 26	33.1
26 - 45	42.9
> 45	24.0
Education	
Primary	6.3
Secondary	28.1
University	46.4
Post University	19.2
Income in EUR (netto)	
No income	20.2
≤ 400	38.8
401- 600	23.3
≥ 601	17.7

Data Analysis

The Analysis of the data was done using the statistical analysis from the SPSS version 19. First, a descriptive analysis is carried out to gain an overview of how the respondents perceive the Tuborg beer brand through 3 survey instruments, which represent our dependent variables and one of the independent variables, the country of origin, Denmark. Furthermore, a description is provided of the 3 deconstructed components of the CETSCALE from a principal component analysis. The components were classified into 4 levels of consumer ethnocentric tendencies with their respective factor scores. Descriptive statistics of the demographic characteristics of the Romanian respondents were also provided.

Secondly, pair-wise descriptive statistics of all independent variables representing COO, consumer ethnocentrism and demographic variables are provided for the 3 dependent variables measuring consumer brand perception of the Tuborg beer. Similarly a pair-wise relationship between the independent variables is also conducted to identify a possible correlation between these variables. Finally, Multiple Analysis of variance (MANOVA) is conducted to investigate the specified hypotheses.

6. Results

Consumers' perception towards the brand Tuborg and COO effect

Three characteristics for the perception of the Tuborg brand have been evaluated by the Romanian consumers (see Table 5.2). A total of 51.7% of the respondents agree that they trust the quality of the brand, while 48.9% believe that the Tuborg brand matches their needs. It further shows that 33.4% of the respondents would choose Tuborg instead of other beer brands, compared to 18.8 who disagree with this statement.

Table 5.2 Percentage distribution of respondents scores and mean scores for the Tuborg brand perception (n = 317)

Instrument items [a]	Totally disagree	Disagree	Neither agree nor disagree	Agree	Totally agree	Mean	Std
1. I trust the quality of the products of this brand	.9	4.1	43.2	27.4	24.3	3.70	.915
2. I think that this brand is always looking to improve its products to better satisfy consumers' needs.	1.3	2.2	47.6	30.9	18.0	3.62	.847
3. I prefer this brand over other brands in the same product category.	7.9	10.7	47.9	20.2	13.2	3.20	1.057

Note: [a]The response format is a five-point Likert-type scale (1= strongly disagree, 5= strongly agree.)

The Pearson and the Spearman correlation coefficients between the 3 instrument items is positive and between 0.4 and 0.71, which is statistically significant ($p<0.001$) and devoid of multicollinearity or singularity, suggesting that the multivariate analysis variance (MANOVA) can be performed on the data. The country-of-origin effect is further presented in Table 5.3, showing that 36 % of the respondents have a positive opinion about Tuborg being a Danish brand, while 26.8% feel that the country of origin has a negative effect on them.

Table 5.3 Percentage distribution of respondents scores and mean scores for the country-of-origin effect (n = 317)

Instrument items	Positive effect	Negative effect	No effect	Mean	Std
The beer brand Tuborg is from Denmark. How does this information affect your opinion of the brand?	36	26.8	37.2	2.01	.856

Degree of Ethnocentrism among Romanian Consumers

The 17 items of the CETSCALE were estimated using an exploratory factor analysis with principle component analysis and varimax rotation. Firstly, it was observed that the factor loadings were at least .5, suggesting a high factorability. Secondly, the Kaiser-Meyer-Olkin measure of sampling adequacy was .864, above the commonly recommended value of .7, and Bartlett's test of sphericity was significant ($\chi 2 = 4335.8$, $p < 0.000$).Therefore, it was considered appropriate to factor analyze the data. The results of our analysis produced 3 factor components, labeled: "taxing imports", "buy Romanian products" and "support Romanian products". Table 5.4 shows the results of the principal component analysis of the CETSCALE.

Table 5.4 PCA and 3 component factor loadings for the 17-items measuring "consumer ethnocentrism" based on CETSCALE (n = 317)

Instrument items	Rotated loading [a] for component1: *"Taxing imports"*	Rotated loading [a] for component 2: *"Buy Romanian products"*	Rotated loading [a] for component 3: *"Support Romanian products"*
1. Romanian people should always buy Romanian- made products instead of imports.		.809	
2. Only those products that are unavailable in Romania should be imported.		.690	
3. Buy Romanian-made products. Keep Romania working.		.752	
4. Romanian products, first, last and foremost.		.721	
5. Purchasing foreign made products is un-Romanian.	.636		
6. It is not right to purchase foreign products, because it puts Romanians out of work.			.739
7. A real Romanian should always buy Romanian-made products.			.855
8. We should purchase products manufactured in Romania instead of letting other countries get rich by us.			.821
9. It is always best to purchase Romanian products.			.834
10. There should be very little trading or purchasing of goods from other countries unless out of necessity.			.831
11. Romanian people should not buy foreign products, because this hurts Romanian business and causes unemployment.			.834
12. Restrictions should be put on all imports.	.840		
13. It may cost me in the long run but I prefer			.754

to support Romanian products.			
14. Foreigners should not be allowed to put their products on our markets.	.896		
15. Foreign products should be taxed heavily to reduce their entry into Romania.	.716		
16. We should only buy from foreign countries those products that we cannot obtain within our own country			.785
17. Romanian consumers who purchase products made in other countries are responsible for putting their fellow Romanians out of work	.812		

Note: [a] Only loadings with a value of greater than 0.5 are of main relevance.

Results of the multivariate anlysis of variance (MANOVA)

As mentioned earlier, MANOVA models were used to investigate whether a developed country of origin, (in this case Denmark) has a positive impact on how Romanian consumers perceive the brand. We also analysed whether a high ethnocentric tendency and demographic variables impact on the perception of a foreign beer brand.

The estimated functional form for our model is as follows:

$$Y_{ij} = \alpha_0 + \alpha_j X_{ij} + \varepsilon_{ij}$$

i represents an individual respondent; Y is a vector of 3 variable scores for Tuborg beer brand perception. The α0, is the mean of the referenced category of the cohort groups, αj are the parameter estimates of the rest of the categories in the group X, and εij is the vector of the error terms assumed to be multinormally distributed $N(0,\sigma^2)$.

The classified levels of the distribution of respondents and mean estimates of the Tuborg brand perceptions by COO, CE and demographics are presented in Table 5.5.

The 3 dependent variables (Y-vector) represent how consumers perceive the quality of the Tuborg beer, to what extent the beer satisfies consumers' needs and their preference of Tuborg relative to other beers in the same category. The independent variables were consumer ethnocentric tendencies of imposing tax on foreign products, buying Romanian products and supporting Romanian products as well as the demographic variables, gender, age, education and income levels in addition to the country-of-origin variable.

Table 5.5 Distribution of respondents and mean estimates of Tuborg brand perceptions by COO, CE and demographics

	Respondents		"Trust the quality of the brand"		"The Tuborg brand is attentive to consumers' needs"		Prefer Tuborg over other brands	
		%	Mean	SE	Mean	SE	Mean	SE
Total	317	100	3.70	.051	3.62	.047	3.20	.059
COO effect								
Positive effect	114	36	4.152	0.131	3.954	0.127	3.637	0.165
Negative effect	85	26.8	3.058	0.144	2.995	0.140	3.055	0.182
No effect	118	37.2	3.608	0.126	3.523	0.122	2.897	0.159
Ethnocentric Tendencies (CE)								
Tax on Imports, component 1								
High-non-CE	51	16.1	3.784	0.172	3.638	0.167	3.401	0.217
Less-non-CE	118	37.2	3.521	0.117	3.440	0.114	2.980	0.148
Less-CE	94	29.7	3.536	0.145	3.360	0.141	3.195	0.183
High-CE	54	17	3.584	0.187	3.524	0.182	3.210	0.236
Buy Romanian Products, component 2								
High-non-CE	53	16.7	3.518	0.153	3.443	0.149	3.025	0.193
Less-non-CE	97	30.6	3.633	0.094	3.391	0.091	3.091	0.118
Less-CE	115	36.3	3.818	0.086	3.702	0.083	3.307	0.108
High-CE	52	16.4	3.456	0.428	3.427	0.416	3.362	0.541
Support Romanian Products, component 3								
High-non-CE	66	20.8	3.735	0.197	3.492	0.191	3.286	0.249
Less-non-CE	101	31.9	3.639	0.148	3.493	0.144	3.291	0.187
Less-CE	90	28.4	3.517	0.147	3.556	0.143	3.075	0.185
High-CE	60	18.9	3.533	0.171	3.421	0.166	3.133	0.216
COO-CE relationship								
COO and "*Tax on Imports*"		317	2.468	0.035	2.454	0.028	2.153	0.049
COO and "*Buy Romanian Products*"		317	2.468	0.035	2.454	0.028	2.153	0.049
COO and "*Support Romanian Products*"		317	2.463'	0.026	2.452	0.027	3,148'	0.061
Demographic characteristics								
Gender								
Female	182	57,4	3.465	0.126	3.432	0.122	3.041	0.159
Male	135	42,6	3.747	0.125	3.549	0.122	3.351	0.158
Age in years								
< 26	105	33,1	3.619	0.140	3.525	0.136	3.119	0.176
26 – 45	136	42,9	3.588	0.127	3.536	0.123	3.176	0.160
> 45	76	24,0	3.611	0.150	3.411	0.145	3.294	0.189
Education								
Primary	20	6,3	3.615	0.198	3.395	0.192	3.077	0.250
Secondary	89	28,1	3.766	0.137	3.674	0.133	3.324	0.173
University	147	46,4	3.528	0.126	3.500	0.122	3.317	0.159
Post University	61	19,2	3.515	0.146	3.393	0.142	3.068	0.184
Income in RON								
No income	64	20,2	3.606	0.145	3.443	0.141	3.136	0.183
< 1501	123	38,8	3.618	0.124	3.504	0.120	3.264	0.156
1501 2500	74	23,3	3.641	0.150	3.517	0.146	3.258	0.189
> 2500	56	17,7	3.560	0.157	3.499	0.152	3.127	0.198

The results suggested that:

There was a statistically significant difference between COO effects on the combined dependent variables F (6,582)=18.69; P=0.001; Wilks' Lambda=0.70; partial eta square=0.162 i.e. 16.2%. When the results for the dependent variables are considered separately, with a Bonferroni adjusted alpha level of 0.017, the differences for the 3 scores for Tuborg brand perception are significant F(198,118)=39.3, 32.5 and 4.8 respectively; P=0.001 for all; eta square =21.1%, 18.2% and 9.2% respectively. The inspection of the means show that those positive towards the country of origin, Denmark, consistently score higher means scores compared to those being negative or neutral to the fact that the Tuborg brand comes from Denmark, thus hypothesis 1 is confirmed.

The estimated model results also showed an interaction effect between Taxation and "buy Romanian products" ethnocentric tendencies. F(18,823)=1.87; P=0.015; Wilks' Lambda=0.110; partial eta square=3.7 %. When the results for the dependent variables are considered separately, with a Bonferroni adjusted alpha level of 0.017, only the differences between Tuborg brand perception defined as satisfactory for consumer needs is significant F(6,118)=2.78; P=0.012; eta square =5.4 %. The inspection of the means show that means scores for "Buy Romanian products" (high non ethnocentric) and for Taxation (high non ethnocentric) is higher compared to the other levels of the taxation while for Buy Romanian products (less ethnocentric) it is the Taxation score (high ethnocentric) which is higher compared to the other taxation levels. A possible explanation for these findings is that although Romanian consumers may generally consider the foreign beer brand to be of good quality, this does not necessarily imply that they are likely to buy them. Hypothesis 2 is therefore only partially supported, since only 2 of the three components denoting ethnocentricity are dependent on the consumers' brand perception.

The model results on the relationship between country of origin and consumer ethnocentrism and their effect on the Romanian consumers' brand perception only showed a significant level of 0.04 ($p<0.05$) on the interaction between COO and the CE component "Support Romanian Economy" and how the Romanian consumers perceive the quality of the Tuborg brand, where those respondents who admit that the fact that the country of origin is Denmark has a positive effect are also more inclined towards less supporting the Romanian economy (72%), and thus are less ethnocentric. In this regard hypothesis 3 is only partially confirmed, since the only relationship between COO and the component denoted as "Supprort Romanian Economy" show a strong (> 95%) relationship with the consumers' brand perception.

The estimated model results also showed an interaction effect between the demographic variables: education and age F(12,770)=3.30; P=0.001; Wilks' Lambda=0.876; partial eta square=4.3%. When the results for the dependent variables are considered separately, the direction of significant difference is not the same for all levels of the 2 items which denote the Tuborg brand perception: "The Tuborg brand is attentive to consumers' needs" and "Prefer Tuborg over other brands". The inspection of the means for the second brand perception item

showed that at an age of less than 26 years, the secondary education level mean score is consistently higher compared to the other educational levels. However, at the age group of above 46 years, a university education mean score is consistently higher compared to the other educational levels. For the latter Tuborg brand perception item, the results showed that at an age of less than 26 years age, the post university education level mean score 2.9 is consistently lower compared to the other education levels within this age group. However, for the age group between 26 and 45 years it is the secondary educational level which is consistently lower compared to the other educational levels within this age group. There was also a statistically significant difference between males and females on the combined dependent variables $F(3,291)=3.45$, $P=0.017$; Wilks' Lambda=0.97; partial eta square=0.034 i.e. 3.4 %. When the results for the dependent variables are considered separately, with a Bonferroni adjusted alpha level of 0.017, only the difference in how consumer perceive the quality of the Tuborg beer is significant $F(198,118)=9.3$; $P=0.003$; eta square =3.1 %. That is to say, males evaluated consumer perceived quality of the Tuborg beer higher compared to females. The direction of difference is the same for how the beer satisfies consumers' needs and the preference of the Tuborg relative to other beers in the same category. Since the brand perception of Romanian consumers is dependent on demographic characteristics as age, education and gender, hypothesis 4 is confirmed.

7. Discussions and Conclusions

The present study empirically tested the link between consumer ethnocentrism (CE), COO demographics and its implication on the consumers' evaluation of a specific foreign beer brand. The results show that a developed country of origin has a significant impact on the consumers' perception of the Danish beer brand Tuborg, and the Romanian respondents are more likely to evaluate a low involvement product, in this case a beer, more favorably if it has a Western country of origin. These findings are consistent with past studies on the effect of COO on the consumers' brand perception. For example, Hu *et al.* (2008) found out that Chinese consumers consider COO as the most important factor in their wine evaluation, evaluating those wines from Western countries more favourably. Another study conducted by Saffu and Scott (2009) in Papuan New Guinea showed that consumers rated the quality of their domestic low involvement products as being lower than the product from the USA and Australia. Similarly, Chryssochoidis *et al.* (2007) evaluated the level of ethnocentrism of Greek consumers, and investigated the CE-COO effect relationship and implications on consumers' perceptions regarding imported food products, like beer, ham and cheese and found that CE affects consumer beliefs and how the perceived quality of domestic and foreign products are evaluated, culminating in the appearance of COO-effects.These findings add to the body of research indicating that consumers use country of origin as an informational variable, and reinforce the notion that country of origin plays an important role in consumer product evaluation.

When it comes to the level of ethnocentricity of the Romanian consumers, the results suggested that the tendency towards taxation of imports and buying Romanian products were

dependent on each other when analysing their impact on how the consumers perceive the brand. Thus, the more non-ethnocentric the consumers are, the more they look favourably upon towards foreign brands and the less they support the taxation of foreign products. Furthermore, they are less inclined to want to buy Romanian products. These results are therefore consistent with studies by Ueltschy (1998) as well as Erdogan and Uzkurt (2010), who found out that those with low-ethnocentricity levels perceive foreign products more favourably than their high-ethnocentricity counterparts. Similarly, Yagci (2001) examined whether brand image overrides the effect of CE under different COOs and found that in the relationship between CE and COO, consumer ethnocentrism becomes a significant predictor only when the product is manufactured in less-developed/liked country (i.e. S. Korea). It was found that CE has a greater importance than COO.

While the relationship between COO and CE and their effect on brand perception was found to be only partially confirmed, where a clear relationship was shown between positive COO perception and less ethnocentric tendency. These results are consistent with the findings by Sharma (2011) who investigated the role of CE in COO effects for consumers from the USA and the UK with regards to cars and found that ethnocentrism does not interact well with COO and has a weak negative effect on the consumers' product evaluation and behavioural intentions for imported products. Simmilarly, Yagci (2001) found that CE affects brand evaluations when the product is manufactured in its home country (i.e., BMW in Germany). In the relationship between CE and COO, consumer ethnocentrism becomes a significant predictor only when the product is manufactured in a less-developed/liked country (i.e. S. Korea).

The results of the impact of the demographic characteristics on brand perception showed that in the case of gender, the perceptions were different between men and women. It was shown that men evaluated the quality of the Tuborg beer as being higher when compared to females. An interaction between age and education meant that those respondents who assessed the brand favourably, belong to the age group of lower than 26 years with a secondary educational level, and the age groups of above 46 years with a university education. The results are, therefore, consistent with studies by other scholars including Sharma *et al. (*1995), Ueltschy (1998),Watson and Wright (2000), as well as Erdogan and Uzkurt (2010) who found that younger consumers have more open attitudes towards foreign products, and are less ethnocentrically inclined (O'Cassand Lim, 2002; Wang *et al.,* 2004; Hsu and Nien, 2008).

The study holds some implications for marketing practice. The findings are consistent with results from consumer studies showing that a product's country of origin is of great importance, whether the subject of research is a low involvement product or a high involvement product. On the other hand, with a low involvement product, Romanian consumers do not attach a high ethnocentric tendency towards it. The findings of this research represent some important guidelines for foreign beer companies that wish to enter the Romanian beer market, since Romania is the second largest beer consuming Eastern European country, closely following Poland (European Brewers Statistics, 2012). Firstly, since the Western COO effect showed a significant impact on the positive perception of the Danish beer brand, this cue could be emphasised in order to gain market share. Another factor which could influence the decision of

entering the Romanian market is the fact that Romanian beer consumers are non-ethnocentric, which means that quality plays a high role in their decision making.

The present study has two limitations. Firstly, only respondents from 3 cities in Romania were chosen, limiting the accurate representativeness of the sample. According to Malhotra and Birks, (2003) marketing research that aims to assess foreign markets should consider at least five major cities in order to achieve a representative sample of the population. In a future study it would be interesting to see whether the results differ in a rural context, where educational level as well as familiarity with foreign products is lower. In addition, since the focus of this paper was on brand perception it would be interesting to examine the consumers' purchasing intentions.

Finally, future research should consider both low and high involvement products with multiple countries of origin, in order to examine whether a country is regarded as the "benchmark" for each product type or whether all foreign products are being evaluated similarly.

6 Paper IV: Consumer Ethnocentrism and Ideology Effect on Brand Perception

Relationships between Brand Perception, Ideology and Consumer Ethnocentrism in Post-Communist Romania

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John Kuada
Lartey G. Lawson

Abstract. *The present study seeks to empirically test the relationship between ideological orientation, consumer ethnocentrism, brand perception, and demographic factors in Romania. Since previous studies have not empirically examined these relationships, the present study therefore contributes to filling this research gap. The study results show a strong link between communist ideology and consumer ethnocentrism and between the ethnocentric tendency of the Romanian consumers and their brand perception. Furthermore, demographic characteristics, like gender, age and education, seem to moderate the ideological orientations as well as the degree of ethnocentrism and brand perception. Additionally, the decomposition of the ethnocentric statements in the CETSCALE into 3 component factors adds value to existing research knowledge in the field since previous studies have been based on uni-dimensional or two factor estimates.*

Keywords: Brand perception, ideology, consumer ethnocentrism, Central and Eastern Europe.

1. Introduction

The collapse of the Soviet Union has been heralded by some scholars as a victory for market-driven economic systems (see Marinov *et al.,* 2001; Coulter, Price and Feick, 2003; Schuh and Holzmüller, 2003; Petrovici and Marinov, 2007; Schuh, 2007a; Strasek, 2010). The resulting transition from a centrally planned system to a free market economy in the countries of Central and Eastern Europe (CEE) has provided an opportunity for companies from Western economies to re-establish business presence in these markets (Marinov *et al.,* 2001; Beverland, 2001; Keller and Moorthi, 2003; Al-Khatib Robertson and Lascu., 2004; Reiner *et al.,* 2008). During the early post-communist era, some scholars believed that, with time, consumers in these countries would adopt Western consumption patterns and behavior and Western firms could

conveniently apply marketing strategies that have proved successful in the capitalist economies within the CEE countries as well (Naor, 1990; Lascu, Manrai and Manrai, 1996).

But the "winds of change" initiated in 1989 with the fall of the Berlin Wall, have not translated fully into a total eradication of communism in the mental fabrics of the citizens of the CEE countries. Recent research suggests that an increasing number of citizens in these societies yearn for the return to the communist era and nationalistic tendencies seem to appear in consumer preferences (Gellner, 1993; Verdery, 1993; Molchanov, 2000; Marinov *et al.,* 2001; Demirbag, Sahadev and Mellahi, 2010; Siemieniako *et al.,* 2011).

The emergent ethnocentric tendencies among consumers in CEE countries have, however, become a major concern for Western companies which are operating in these markets (Beverland, 2001; Pecotich and Rosenthal, 2001; Dmitrovic, Vida and Reardon, 2009). The challenge for most of them is to design strategies that ensure superior performance in spite of consumer preferences for local products. Multinational firms that are eager to use standardized strategies tend to wonder if local adaptations of their strategies are actually worth the incremental costs (Lascu, Manrai and Manrai, 1996). Some firms operate with the view that adaptations are necessary. For example, Beverland (2001) found that New Zealand companies frequently allowed their distributors in CEE countries to repackage and sell New Zealand products and sell them under local brand names. The use of context-specific variables (including ideology) for market segmentation and product positioning strategies has also been suggested by other scholars (see, for example, Saffu and Walker, 2005).

In spite of the emerging evidence of ethnocentric tendencies among consumers in CEE countries, their determinants and marketing strategy implications are not understood well. There are some suggestions that ideology may be among the causes of ethnocentrism, since some previous studies have shown links between ideology and consumer intentions and behavior (Schwarzkopf, 2011). There is dearth of empirical knowledge on the nature and strength of the relationships (Saffu, Walker and Mazurek, 2010). Since brand image has been found to be a strong predictor of consumers' attitude to foreign products, investigations into the link between ideology and brand perceptions have also been considered useful (Yagci, 2001). This study contributes to diminishing the extent research gap.

The structure of the study is as follows. First, we examine the premise that there are links between ideology, ethnocentrism and consumer brand perception in the former communist economies. Further on, we have developed a conceptual model to illustrate the relationships based on earlier studies by such scholars as Crockett and Wallendorf (2004), and O'Reilly (2006). Second, by studying consumer perceptions and intentions in Romania, the study provides an empirical evidence for the insights from our model and offers some suggestions for subsequent research in other emerging market economy contexts.

In specific terms, the empirical part of the paper seeks to address the following questions:

1. Does communist ideology relate to consumer ethnocentrism in Romania?

2. Does communist ideology impact Romanian consumers' perceptions of imported brands?

3. Do Romanian consumers' ethnocentric orientations influence their brand perception?

In section two of the paper, we have shortly reviewed the extant literature on ideology, consumer ethnocentrism, and brand perception in order to develop a conceptual model for the present study. We then, formulate hypotheses for the empirical investigation in section three, again drawing on knowledge from the existing literature. These are followed by a presentation of Romania covering the context of the empirical investigation in section four. In section 5, the methodological approaches used for the empirical investigation and data materials are presented. Section 6 presents the results of the empirical analyses. Section 7 discusses the findings, points out their implications for marketing strategy formulation as well as the limitations of the present study.

2. Literature Review and Model Development

Political science scholars have, for long, acknowledged the importance of political values and ideologies in understanding the worldviews of various social groups (Crockett and Wallendorf, 2004; O'Reilly, 2006). Crockett and Wallendorf, (2004: 512) define ideology as "a world-view readily found in a population, including sets of ideas and values that cohere, that are used publicly to justify political stances, and that shape and are shaped by society". These authors use the term "political socialization" to describe the processes by which people come to acquire political values and ideology. Hirschman (1993) suggests that political ideologies tend to shape not only the views and attitudes that people hold on government but also on economic management processes. Different political ideologies may coexist and complement rather than challenge each other in pluralistic societies. However, each ideology is usually championed by the most powerful members of the society who seek to propagate their tenets through co-option and/or coercion.

In recent years, business scholars have shown some interest in the relationships between ideology, values and marketing practices (Crockett and Wallendorf, 2004; O'Reilly, 2006). Adorno *et al.* (1950) published a book entitled *The Authoritarian Personality* in which they described the links between ideology, on the one hand, and the cognitive orientations of individuals in societies on the other. They also suggested that there existed a relationship between these variables and the ethnocentric dispositions of people in the societies. They saw ethnocentrism as part of a broader right-wing ideological orientation that reflected conservative attitudes toward social issues generally. Fifty-seven years later, Collins, Steg, and Koning (2007) studied the relationships between values and consumer behaviour and found that individuals who hold collective, society-directed values are more likely to demonstrate environmentally and socially responsible orientations than those who hold individualist, self-directed values. Furthermore, scholars such as Hirschman (1993), Cunningham, Nezlek and

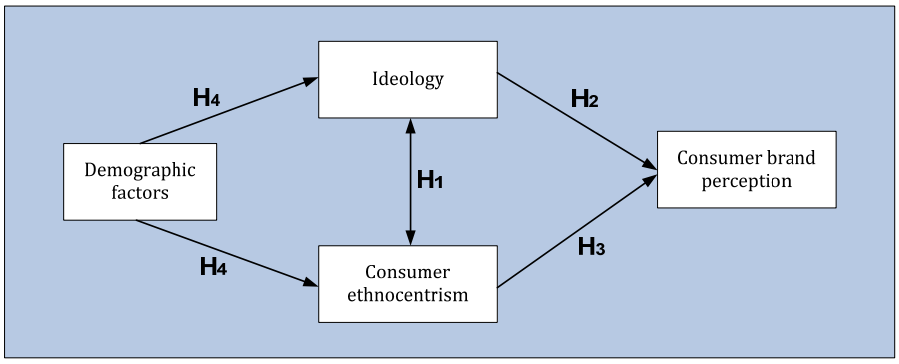
Banaji (2004), and Arnould and Thompson (2005) argue that consumers tend to defend their dominant interests and political ideologies in their societies through their purchase decisions and other economic actions. For example, in the 1980's and 1990's Hirschman (1993) studied the masculine and feminine ideologies and their impact on the consumer behavior in the U.S.A. Similarly, Crockett and Wallendorf (2004) studied how cultural values and political ideology might undergird the consumption attitudes of African-Americans in the U.S.A.

Building on previous studies we argue that there are links between ideology, consumer ethnocentrism and branding strategies. Our arguments are also based on recent studies calling for multidisciplinary research on consumer behavior. For example, Askegaard (2006) argued that branding strategies can gain much from insights into various disciplines as sociology, politics, and anthropology. Moreover, Schroeder (2009: 124) suggests that "if brands exist as cultural, ideological, and sociological objects, then understanding brands requires tools developed to understand culture, ideology, and society, in conjunction with more typical branding concepts such as brand equity". In other words, an awareness of the association between ideology, politics, ethnocentrism and brand perception would enable a firm develop and position its marketing communication tools more effectively.

Some scholars have investigated empirically these links. For example, Samiee, Shimp and Sharma (2005) showed that variables such as socioeconomic status, ideology, foreign language skills, and degree of international exposure influence U.S. consumers' knowledge in recognizing foreign brands and subsequent brand perception. Furthermore, some scholars have suggested that brand's country-of-origin is an important factor in underlying brand equity, consumer judgments, and choice processes (see, for example, Bilkey and Nes, 1982; Keller, 1998; Thakor and Lavack, 2003).

Based on the discussions above, we propose a conceptual model, which presents the link between brand perception, ideology, and consumer ethnocentrism. We also argue that demographic factors such as gender, income, education and occupation may moderate the impact of the other variables on consumer brand perception. The theoretical rationale for this suggestion is presented below. This model has also guided our hypothesis formulation.

Figure 6.1 Conceptual Model



3. Hypotheses

Ideology and Ethnocentrism

Previous studies have suggested a link between consumers' ideological preferences and their degree of ethnocentrism. The prevailing understanding in the literature is that ideology feeds nationalism and thereby ethnocentrism. Thus, Han (1989) suggests that ethnocentrism may have its roots in nationalism. Consumer behavior scholars have, therefore, used ethnocentrism to describe consumers' belief that locally produced products are superior to imported products (Shimp and Sharma, 1987; Herche, 1992; Saffu and Walker, 2006; Saffu and Scott, 2009).

Other scholars suggest that ethnocentrism is positively associated with other domination ideologies such as xenophobia, and social dominance orientation (Keillor and Hult, 1999; Wang, 2005; Altintas and Tokol, 2007). Similarly, Shankarmahesh (2006) argued that socio-psychological constructs, such as animosity, materialism, dogmatism, as well as economic and political parochialism reflect consumer ethnocentrism. According to Marinov *et al.* (2001) economic and political factors have shaped the post-communist ideologies of consumers in the CEE countries of Bulgaria, Romania and the Ukraine. We therefore hypothesize that:

H_1: Communist ideology has direct impact on Romanian consumers' ethnocentric dispositions.

Consumer Ethnocentrism and Brand Perception

Some existing studies have uncovered a strong link between consumer ethnocentric orientations, brand perception and/or buying behavior (e.g. Bilkey and Nes, 1982; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999; Pecotich and Rosenthal, 2001; Papadopoulos and Heslop, 2002; Kaynak and Kara, 2002; Pharr, 2005; Vida and Reardon, 2008). Consumer ethnocentrism (CE) may lead to exaggerating the quality of locally made products while undervaluing that of foreign-made products (Huddleston, Good and Stoel, 2001; Erdogan and Uzkurt, 2010). These perceptions tend to be guided by rational, emotional and even moral considerations. In other words, ethnocentric consumers are inclined to view purchasing of imported products as wrong as it hurts the domestic economy and is not congruent with their in-group feelings of patriotism and belongingness to their societies (Shimp and Sharma, 1987). For example, Netemeyer, Durvasula and Lichtenstein (1991) found out that consumers in such countries as France, Germany, Japan and the U.S.A. had negative attitudes toward imports. Other studies found negative consumer attitudes towards products imported in Canada (Wall and Heslop, 1986), China and Russia (Klein, Ettenson and Krishnan, 2006), and the Netherlands (Nijssen, Douglas and Bressers, 1999). Kucukemiroglu (1999) uncovered that non-ethnocentric consumers have more favorable beliefs, attitudes and purchasing intentions to imported products than did ethnocentric consumers.

Previous research has revealed that when consumers lack information about a product, they tend to rely on the brand name as an indicator of the product's quality (Ahmed *et al.,* 2004).

Furthermore, brand image has been found to be a strong predictor of consumers' attitude to foreign products (Yagci, 2001). Ethnocentric consumers are therefore likely to reject foreign brands, not so much because of their knowledge of the specific attributes of the products in question but due to their brand image. In this regard, ideology and ethnocentrism can jointly influence consumer brand perception and buying behavior. These considerations justify the following hypotheses:

H_2: There is a positive association between the ideological preferences of Romanian consumers and their attitude towards foreign brands.

H_3: The more ethnocentric Romanian consumers are the more likely it is that they will have negative perception of foreign brands.

Demographic Characteristics, Ethnocentrism and Brand Perception

Previous studies disclose that demographic factors such as age, education, income (Watson and Wright, 2000; Erdogan and Uzkurt, 2010), gender (Sharma, Shimp and Shin, 1995), and occupation (Carauna and Magri, 1996; Othman, Ong, F.S. and Wong, 2008; Ramsaran-Fowda, 2010; Hamelin, Ellouzi and Canterbury, 2011) impact consumer ethnocentrism. Other studies have shown that socio-psychological factors including patriotism and nationalism (Vida and Fairhurst, 1999; Yelkur, Chakrabarty and Bandyopadhyay, 2006; Javalgi *et al.,* 2005) influence considerably consumers' ethnocentric dispositions. With respect to age, it has been shown that while older shoppers are more hardened in their brand loyalty and consequently more difficult to switch to other brands, including foreign brands (Auty and Elliot, 1998), younger consumers show stronger inclination to buy foreign products (Sharma, Shimp and Shin, 1995; O'Cass and Lim, 2002; Wang, Siu and Hui, 2004; Hsu and Nien, 2008). Levels of education also impact attitudes to foreign goods. The available empirical evidence suggests that the higher the educational level of consumers, the more positive their attitudes will be towards foreign or imported products (Good and Huddleston, 1995; Ueltschy, 1998; Erdogan and Uzkurt, 2010). Certain prior studies have identified that high income levels are directly related to positive attitudes towards foreign products (see e.g. Wall *et al.* (1990), whereas other studies ascertained no such relationships (refer for instance to McLain and Sternquist, 1991).

Studies of the relationships between gender and ethnocentrism have produced inconclusive results. Thus, Schooler (1971) found out that customers belonging to female gender tend to rate foreign-made products more favorably their male counterparts. All the same, studies by Vida and Fairhurst, (1999), Balabanis *et al.,* (2001, 2002), as well as by Javalgi *et al.* (2005) have uncovered that female customers are more ethnocentric in their consumption decisions than male buyers. Similarly, studies testing the degree of association between occupation and consumer brand perception have produced no consistent results. Carauna and Magri (1996), Ramsaran-Fowda (2010) as well as Hamelin, Ellouzi and Canterbury (2011) found no statistically significant links between occupation and ethnocentrism. However, Wei (2008) has found that in China, respondents' occupations do have an impact on ethnocentrism. For example,

Wei's research noted that farmers among all the occupational groups are the most ethnocentric customers. Othman, Ong and Wong (2008) conducted a study on urban consumers in Malaysia, as a result of which the authors concluded that consumers with clerical and production occupations showed a higher tendency of ethnocentric behavior.

These considerations justify the following hypothesis:
H_4: There is a positive association between the demographic profiles of Romanian consumers and their attitude towards foreign brands.

4. Research Context

Romania is one of the 17 CEE countries. It has a population of above 21 million people making the country the second largest national market in the region after that of Poland. It was part of the communist block of nations during the Cold War era and commenced its transition to free market economy in December 1989 after the collapse of communism marked by the fall of the then Romanian president, Nicolae Ceauşescu. The Romanian transition has been turbulent. During the 1990s there was economic downturn, more significant in the first transition years (1990-1992), in which the economy shrank by 27 per cent. The period between 2000 and 2008 brought a clear economic recovery, with an annual growth rate of above 6 percent. Romania joined the European Union on 1 January 2007. The adoption of free market economic policies has opened the country to foreign companies seeking to sell their products in the country (Marinov *et al.,* 2001). Consequently, foreign products flooded the Romanian market in the 1990s (Lascu, Manrai and Manrai, 1996). A study conducted by Manrai, Lascu and Manrai (1999) indicated that Romanian consumers felt that the availability of products and services increased in the post-communist era.

The past years have brought variations in consumers' attitude to products originating from Western countries. Some consumers found their consumption as evidence of social mobility while others consider their purchasing unpatriotic (Milanova, 1999).

5. Methodology

Survey Instrument

Data were collected using questionnaires consisting of 31-item scale, scored on 5-point Likert-type scale ranging from "strongly disagree" to "strongly agree" (see Appendix 5.1). Of the identified 31 items, 9 relate to brand perception, 5 to ideological orientation, and 17 to consumer ethnocentrism. The items measuring ethnocentrism are based on those developed by Shimp and Sharma (1987) and generally referred to as Consumer Ethnocentric Tendencies Scale (CETSCALE). The CETSCALE has been tested in various countries including the U.S.A., France, Germany, Republic of Korea, and Japan, as well as in some CEE countries (see Netemeyer, Durvasula and Lichtenstein, 1991; Huddleston, Good and Stoel, 2001; Lindquist *et*

al., 2001; Saffu and Walker 2006, Saffu and Scott, 2009). The results from the previous tests have confirmed its validity and reliability in different socio-cultural settings, hence its use in this study.

Data Collection Process

The questionnaire was first written in English and then translated into Romanian by one of the authors who is Romanian and then back-translated to English by another Romanian fluent in both English and Romanian. Consequently, questionnaire translation into Romanian was finalized. The questionnaire was then pretested on Romanian students studying at Aalborg University in Denmark. The questionnaire was then administered to respondents in Bucharest, Cluj-Napoca and Sibiu, the capital and two major cities in Romania. A mall intercept method was used to sample 325 respondents for the study. The mall intercept approach has been used in a number of previous consumer ethnocentric studies (Saffu and Walker, 2006). Data quality from previous studies was found comparable to telephone interviews (Bush and Hair, 1985).

Respondents filled in nearly 90 per cent of the questionnaires without assistance from the researchers. The data were screened for univariate outliers and data editing was performed in order to identify omissions and errors in the responses. Eight questionnaires were deleted in the process, leaving 317 questionnaires for final analysis. Table 6.1 provides a descriptive profile of the 317 respondents.

Table 6.1 The percentage distribution of the socio-demographic profile of the 317 respondents

Demographic characteristics	%
Gender	
Female	57.4
Male	42.6
Age in years	
< 26	33.1
26 - 45	42.9
> 45	24.0
Education	
Primary	6.3
Secondary	28.1
University	46.4
Post University	19.2
Occupation	
Students	26.2
Unemployed	16.1
Employee	11.0
Employed with Higher Education	34.1
Employer	12.6

Monthly income [a]	
Zero	20.2
< 1501	38.8
1501- 2500	23.3
> 2500	17.7

Note:[a] in RON; 1 RON = 4.4 EUR

Data Analysis

The data analysis was conducted in five steps. First, we did a descriptive analysis to get an overview of the respondents' replies to the items in the questionnaire. Second, we used the Cronbach alpha to analyse the internal consistency for all items. Third, we steered principal component analysis of the items describing the four constructs in our model - ideological preferences, consumer ethnocentrism, demographic characteristics and consumer brand perceptions. The aim was to reduce the responses to a smaller number of well-defined variables for further analysis. Fourth, a one-way analysis of variance (ANOVA) was used to investigate if the individual demographic characteristics moderate respondents' brand perception, ideology and ethnocentrism. Finally, we conducted hierarchical multiple regression analysis to test our hypotheses. All analyses were done using the SPSS version 19.

6. Results

The Ideological Orientations of Romanian Consumers

The distribution of the responses for the 5-item ideology statements are presented in Table 6.2. The results showed that over a third of the respondents were of the opinion that products produced during the communist regime were better than those produced in Romania in the recent years. At the same time, 79.2 percent of the respondents believed that government regulations were needed to control the monopoly of the companies in the country. Respondents' attitudes to a free market economic system were somewhat unclear. On the one hand, 60.6 percent of the respondents agreed to the statement that a free market economy would lead to economic prosperity. On the other hand, nearly half of them (47.6 percent) agreed to the statement that free market economy was exploitative and unfair towards the working class. The composite mean score for all the items was 3.55, suggesting a more than average ideological orientation among the respondents.

Table 6.2 Percentage distribution of respondents scores the for ideology constructs (n = 317)

Number and statement Items [a]	Totally agree	Rather agree	Neutral	Rather disagree	Totally disagree	Mean	Std.
1. Government regulations are needed to control monopolies.	45.1	34.1	11.7	4.4	4.7	4.10	1.08

2. A free market economy (no business regulations) is the best way to ensure prosperity and fulfilment of individual needs.	19.6	41	18.3	12.3	8.8	3.5	1.2
3. People are basically good but they can be corrupted even under communism.	35	35.3	16.4	8.5	4.7	3.87	1.12
4. The free market economy is exploitive, so unfair towards the working class	19.2	28.4	21.1	19.6	11.7	3.24	1.3
5. The products offered in the communist regime were better than the ones offered nowadays in terms of quality and taste.	13.6	23.3	31.9	14.5	16.7	3.03	1.26
Composite Ideology measure						3.55	1.19

Notes: [a]The response format is a five-point Likert-type scale (1= strongly disagree, 5= strongly agree.)

The principal component analysis (PCA) conducted on the 5 items showed that 3 of the items (items 3, 4 and 5) related to "communist ideology". Item 1 conveyed "anti-monopoly" sentiment while item 2 reflected "free market" sentiment. An inter–item correlation test recommended by Pallant (2005) was done for the three "communist ideology" items. The results showed that all three items measured the same construct. Furthermore, the results of the Kaiser-Meyer-Olkin measure of sampling adequacy was 0.603 (i.e. slightly above the commonly recommended value of 0.6), and Bartlett's test of sphericity was significant ($\chi 2 = 48.566$, $p < 0.000$). We therefore retained the three factor solution for the 5 items – i.e. (1) "communist ideology", (2) "anti-monopoly", and (3) "free-market economy". The results of these analyses are presented in Table 6.3.

Table 6.3 PCA factor loadings for the 3-items measuring the "communist-ideology" items (n = 317)

Number and statement items	Component Factor loadings "Communist Ideology" [a]
3. People are basically good but they can be corrupted.	.688
4. The free market economy is exploitive, so unfair towards the working class	.724
5. The products offered in the communist regime were better than the ones offered nowadays in terms of quality and taste.	.692

Note: [a] Principal Component Factor loadings. Only loadings with a value of greater than 0.5 are of relevance.

Degree of Ethnocentrism among Romanian Consumers

The distribution of Romanian consumers' responses to the 17-item CETSCALE statements is presented in Table 6.4. Cronbach's alpha overall reliability test of the items produced a reliability coefficient of 0.94, well above the recommended coefficient of 0.70. This indicates that the CETSCALE was a reliable measure of ethnocentrism among Romania consumers.

Table 6.4 Percentage distribution of respondents scores and mean scores for ethnocentric statements (n=317)

Number and CETSCALE items [a]	Totally agree	Rather agree	Neutral	Rather disagree	Totally disagree	Mean	Std.
1. Romanian people should always buy Romanian- made products instead of imports.	29.1	19.3	19.6	19.9	12	3.24	1.301
2. Only those products that are unavailable in Romania should be imported.	27.8	34.2	11.7	14.2	12	3.58	1.393
3. Buy Romanian-made products and keep Romania working.	61.5	25.6	7.3	3.5	2.2	4.41	.929
4. Romanian products, first, last and foremost.	15.8	31.5	24	20.8	7.9	3.26	1.185
5. Purchasing foreign made products is un-Romanian.	5.7	14.9	22.2	25	32.3	2.37	1.234
6. It is not right to purchase foreign products, because it puts Romanians out of work.	9.8	20.6	24.1	25	20.6	2.74	1.268
7. A real Romanian should always buy Romanian-made products.	16.1	19.3	18	21.8	24.7	2.80	1.419
8. We should purchase products manufactured in Romania instead of letting other countries get rich of us.	26.2	23.3	16.1	21.8	12.6	3.29	1.388
9. It is always best to purchase Romanian products.	18.6	28.7	16.1	22.7	13.9	3.15	1.340
10. There should be very little trading or purchasing of goods from other countries unless out of necessity.	24.7	20.6	15.8	22.8	16.1	3.15	1.432
11. Romanian people should not buy foreign products, because this hurts Romanian business and causes unemployment.	11.7	23.2	21.6	23.2	20.3	2.83	1.312
12. Restrictions should be put on all imports.	6	10.4	14.8	20.8	47.9	2.06	1.259
13. It may cost me in the long run	11.7	24.7	19.6	24.4	19.6	2.84	1.313

but I prefer to support Romanian products.							
14. Foreigners should not be allowed to put their products on our markets.	3.8	8.5	13.6	26.8	47.3	1.95	1.136
15. Foreign products should be taxed heavily to reduce their entry into Romania.	11.7	16.1	18.6	28.4	25.2	2.61	1.331
16. We should buy from foreign countries only those products that we cannot obtain within our own country.	25.6	24.9	15.5	18.3	15.8	3.26	1.422
17. Romanian consumers who purchase products made in other countries are responsible for putting their fellow Romanians out of work	6.6	8.5	25.9	18.9	40.1	2.23	1.245
Composite CET measure						4,75	1.31

Note: [a] The response format is a five-point Likert-type scale (1= strongly disagree, 5= strongly agree).

We have also conducted a principal component analysis (PCA) of all 17 items. The results are presented in Table 6.5. The initial factor loadings of all the 17 items were higher than 0.5, indicating that all variables measured the same concept of consumer ethnocentrism. However, the rotated varimax solution (with Kaiser normalization) suggested that items 6, 7, 8, 9, 10, 11, 13, 16 loaded on two components. Therefore we decided to do two sets of principal component analysis for the two groups of items; one for items 1, 2, 3, 4, 5, 12, 14, 15, 17, and another for items 6, 7, 8, 9, 10, 11, 13, 16.

Table 6.5 First PCA initial and 2 component factor loadings for the 17-items measuring the "ethnocentrism" based on CETSCALE (n = 317)

Number and CETSCALE items	Initial Factor loadings [b]	Rotated loadings [b] for component 1	Rotated loadings [b] for component 2
10. Romanian people should always buy Romanian- made products instead of imports.	.675	.251	.782
11. Only those products that are unavailable in Romania should be imported.	.610	.355	.696
12. Buy Romanian-made products. Keep Romania working.	.457	-.051	.674
13. Romanian products, first, last and foremost.	.595	.225	.738
14. Purchasing foreign made products is un-Romanian.	.517	.632	.343
15. It is not right to purchase foreign products, because it puts Romanians out of work. [a]	.556	.623	.411
16. A real Romanian should always buy	.684	.510	.651

Romanian-made products. [a]			
17. We should purchase products manufactured in Romania instead of letting other countries get rich of us. [a]	.624	.537	.580
18. It is always best to purchase Romanian products. [a]	.682	.488	.667
19. There should be very little trading or purchasing of goods from other countries unless out of necessity. [a]	.660	.592	.557
20. Romanian people should not buy foreign products, because this hurts Romanian business and causes unemployment. [a]	.676	.686	.453
21. Restrictions should be put on all imports.	.711	.823	.183
22. It may cost me in the long run but I prefer to support Romanian products. [a]	.546	.485	.557
23. Foreigners should not be allowed to put their products on our markets.	.788	.875	.148
24. Foreign products should be taxed heavily to reduce their entry into Romania.	.553	.691	.275
25. We should buy from foreign countries only those products that we cannot obtain within our own country. [a]	.626	.482	.627
26. Romanian consumers who purchase products made in other countries are responsible for putting their fellow Romanians out of work	.647	.794	.128

Note: [a] Items with complex loadings. [b] Only loadings with a value of greater than 0.5 are of main relevance.

The results of the analysis of the first group of items produced 2 factor components. The first factor contained items 5, 12, 14, 15, 17. Together, these 5 items expressed a strong nationalistic attitude, suggesting that the respondents endorsed the view that imposing high taxation on imported items would benefit the Romanian economy. We therefore labelled this factor "taxing imports". The second component contained items 1, 2, 3, 4. These statements are relatively softer in their tones and simply express Romanian consumers' desire to buy domestic products. We label it "buy Romanian products" (See Table 6.6).

The other 8 items (i.e. 6, 7, 8, 9, 10, 11, 13, 16) produced a single factor. All these items relate to the view that the purchase of Romanian products amounts to supporting the Romanian economy. We therefore labelled this factor "support Romanian economy". The results are presented in Table 6.7.

Table 6.6 Second PCA initial and 2 component factor loadings for the 9-items measuring the "ethnocentrism" based on CETSCALE (n = 317)

Number and instrument items	Initial loading	Rotated loading [a] for component1: "Taxing imports"	Rotated loading [a] for component 2: "Buy Romanian products"
12. Romanian people should always buy Romanian- made products instead of	.746	.304	.809
13. Only those products that are unavailable in Romania should be imported.	.627	.388	.690
14. Buy Romanian-made products. Keep Romania working.	.566	-.036	.752
15. Romanian products, first, last and foremost.	.589	.263	.721
16. Purchasing foreign made products is un-Romanian.	.538	.636	.366
14. Restrictions should be put on all imports.	.733	.840	.167
16. Foreigners should not be allowed to put their products on our markets.	.822	.896	.139
17. Foreign products should be taxed heavily to reduce their entry into Romania.	.599	.716	.294
17. Romanian consumers who purchase products made in other countries are responsible for putting their fellow Romanians out of work	.674	.812	.122
Variance explained in %		50.0	15.5

Note: [a] Only loadings with a value of greater than 0.5 are of main relevance.

Table 6.7 Third PCA 1 component factor loadings for the 8-items measuring the ethnocentrism (n = 317)

Number and CE instrument Items	Factor loading [a] "Support Romanian products"
17. It is not right to purchase foreign products, because it puts Romanians out of work.	.739
18. A real Romanian should always buy Romanian-made products..	.855
19. We should purchase products manufactured in Romania instead of letting other countries get rich of us	.821
20. It is always best to purchase Romanian products.	.834
21. There should be very little trading or purchasing of goods from other countries unless out of necessity.	.831
22. Romanian people should not buy foreign products, because this	.834

	hurts Romanian business and causes unemployment.	
15.	It may cost me in the long run but I prefer to support Romanian products.	.754
18.	We should buy from foreign countries only those products that we cannot obtain within our own country.	.785

Note: [a] Only loadings with a value of greater than 0.5 are of relevance.

Romanian Consumers' Brand Perception

Table 6.8 provides descriptive statistics on the respondents' brand perception. The analysis shows that 66.3 percent agree that brands make it easier for them to choose a product. It further shows that 81.4 percent of the respondents agree to the statement that well-known brands are of good quality. Two-thirds of the sample (i.e. 66.6 percent) thinks that foreign brands are of good quality.

Table 6.8 Percentage distribution of respondents scores and mean scores for brands perception (n = 317)

Number and instrument items [a]	Totally agree	Rather agree	Neither agree nor disagree	Rather disagree	Totally disagree	Mean	Std
1.Well-known brands are of good quality	23	58.4	10.1	7.6	0.9	3.95	0.848
2. Foreign brands are of good quality	21.5	45.1	20.8	11	1.6	3.74	0.970
3. Unknown brands are of low quality	4.1	19.6	39.4	28.4	8.5	2.82	0.978
4. I usually buy branded products	15.5	49.5	18.3	13.6	3.2	3.61	1.006
5. Romanian brands appeal to my national feeling	24	36	19.2	11	9.8	3.53	1.241
6. I prefer buying well-known brands	25.2	44.8	18.3	10.7	0.9	3.83	0.960
7. Brands influence my choice of purchase	24.6	43.8	14.2	4.1	13.2	3.72	1.100
8. If I had the choice, I would buy only Romanian brands	24.6	26.8	20.8	16.4	11.4	3.37	1.319
9. Brands make it easier to choose the product	21.8	44.5	19.2	8.5	6.0	3.68	1.090

Note: [a] The response format is a five-point Likert-type scale (1= strongly disagree, 5= strongly agree.)

The principal component analysis of the data (together with the rotated varimax solution) produced three component factors which explain 76.3 percent of the total variance. The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.736, and Bartlett's sphericity test was significant ($\chi 2 = 990.056$, $p < 0.000$).

The first factor, with items 4, 6, 7, 9, is all related to the statements emphasizing the advantages in buying branded products. Consequently, we label this factor "buying branded products". The second factor, covering items 1, 2, 3, is related to brand quality. So we labelled it "quality of branded products". Items 5 and 8 have the highest factor loadings in the third factor component. They relate to consumers' perception that Romanian brands are of good quality. We label this factor "Romanian brands". The results are presented in Table 6.9.

Table 6.9 PCA and identified components for consumer perception of brands (n = 317)

Number and instrument items	Initial Factor loading [a]	Component 1 "Buy branded products"	Component 2 " Quality of branded products"	Component 3 "Romanian brands
1. Well-known brands are of good quality	.633	.261	.743	.113
2. Foreign brands are of good quality	.710	.133	.832	.013
3. Unknown brands are of low quality	.358	.069	.594	.021
4. I usually buy branded products	.656	.787	.164	-.098
5. Romanian brands appeal to my national feeling	.850	.062	.026	.919
6. I prefer buying well-known brands	.708	.808	.234	.026
7. Brands influence my choice of purchase	.765	.873	.053	.016
8. If I had the choice, I would buy only Romanian brands	.844	-.075	.096	.911
9. Brands make it easier to choose the product	.745	.847	.161	.047
Variance explained in %		40.2	21.8	14.1

Notes: [a] Only loadings with a value of greater than 0.5 are of relevance.

Results of the Hierarchical Regression Analyses

As mentioned earlier, we used hierarchical regression models to examine the links between communist ideology, consumer ethnocentrism, and brand perception. According to Kahane (2001) hierarchical regression models allow researchers to control for the possible effect of a set of variables and then investigate if other variables can predict a significant amount of variance in a dependent variable. For example, in this study, we need to control for "anti-monopoly" and "free market economy" factors while we investigate the link between "communist ideology" and consumer ethnocentrism in Romania. This accounts for our choice of the hierarchical regression model. The estimated functional form for our first model is as follows:

$$Y_{ijk} = \beta_0 + \gamma_k Z_{ik} + \beta_j X_{ij} + \varepsilon_{ijk}$$

Where, *i* represents an individual respondent; ***Y*** is a vector of components factor scores of interest. β_0 is the grand mean, Z_k are first level independent variables of interest, X_j are the

second level variables of interest. The β_0, β_j and γ_k are the parameter coefficients to be estimated and ε_{ijk} the error term assumed to be normally distributed N $(0,\sigma^2)$. This general model is specified for ethnocentric constructs - "taxing imports", "buying Romanian products", and "supporting the Romanian economy" and for brand perception constructs - "buying branded products", "quality of branded products ", and "Romanian brands".

The results for the ethnocentric constructs are presented in Table 6.10. They show that Romanian consumers with communist ideological preference turn to support "taxing imports", "buying Romanian products", and "supporting the Romanian economy". The sizes of the unique R^2 for these relationships are 7.9 percent, 7.8 percent and 15.4 percent for "taxing imports", "buy Romanian products", and "support Romanian economy" respectively. That is, when we disregard consumer "anti-monopoly" and "free market" ideological preferences, consumers' communist ideological preferences account for about 8 percent of the variations in consumer ethnocentric tendencies reflected in consumers' attitude to "taxing imports" and "buy Romanian products" as well as 15 percent of the variation in "support Romanian economy".

Furthermore, we found that consumers with anti-monopoly ideological orientation are likely to exhibit ethnocentric tendencies expressed in terms of "buy Romanian products" and "support Romanian economy". The unique R^2 of these relationships are 4.6 percent and 1 percent respectively. Finally, the relationships between consumers' "free market" ideological disposition and ethnocentric tendencies expressed in "taxing imports" and "support Romanian economy" are negative. Their unique R^2 are 1.2 percent and 2.7 percent respectively. These findings therefore support hypothesis 1 stating that the communist ideology has direct impact on Romanian consumers' ethnocentric dispositions. But the impact was not as strong as expected.

The results of the combined impact of ideology and ethnocentrism on brand perception are presented in Tables 6.11 and 6.12. They show that there is a positive and statistically significant relationship between consumers' communist ideological dispositions and their willingness to "buy Romanian brands" ($p<0.001$. See Table 12, Model 1). Those with an "anti-monopoly" orientation also show a moderately significant link with the "buy Romanian brand" ($p<0.06$).

Table 6.10 Regression estimated impact of decomposed ideology components on ethnocentric components

Dependent variables: - Ethnocentric components	Tax on Imports - CEFscore					Buy Romanian Products - CEFscore					Support Romanian Economy - CEFscore				
Ideology components	B	SE	Beta	P	UR^2	B	SE	Beta	P	UR^2	B	SE	Beta	P	UR^2
Model 1: R^2	2,0					6,4					5,6				
(Constant)	0,350	0,186		0,06		-0,45	0,182		0,01		-0,00	0,183		0,99	
Anti-monopoly	-0,073	0,089	-0,05	0,42	0,2	0,37	0,087	0,23	0,00	5,3	0,20	0,087	0,13	0,02	1,6
Anti-regulation (Free Market)	-0,164	0,068	-0,14	0,02	1,8	-0,13	0,066	-0,11	0,05	1,1	-0,24	0,066	-0,20	0,00	4,1
Model 2: R^2	9,9					14,2					21,0				
(Constant)	0,352	0,179		0,05		-0,45	0,175		0,01		0,00	0,168		0,99	
Anti-monopoly	-0,100	0,086	-0,06	0,24	0,4	0,34	0,084	0,21	0,00	4,6	0,16	0,080	0,10	0,05	1,0
Anti-regulation (Free Market)	-0,131	0,065	-0,11	0,05	1,2	-0,10	0,064	-0,08	0,13	0,6	-0,20	0,061	-0,16	0,00	2,7
Communist-Ideology Fscore345	0,282	0,054	0,28	0,00	7,9	0,28	0,053	0,28	0,00	7,7	0,40	0,051	0,40	0,00	15,4
R^2 change	7,9					7,8					15,4				

B = Un-standardized Coefficients; Beta = Standardized Coefficients; SE = Standard Error; UR^2 = Variable specific unique R^2 ; P = Significant level

Table 6.11 Distribution of respondents and mean estimates of Brand perceptions by Ideology and Ethnocentrism

	Respon-dents		Buy Romanian Brands Component 3		Quality of Brand Products Component 2		Buy Brand Products Component 1	
		%	Mean	SE	Mean	SE	Mean	SE
Total	317	100	0	0,056	0	0,056	0	0,056
Ideological Preferences								
Communist-ideology component					ns			
High-non-communist	50	15,8	-0,214[b]	0,138	0,006	0,142	0,142	0,117
Less-non-communist	127	40,0	-0,112[b]	0,093	0,001	0,088	0,035	0,083
Less-communist	83	26,2	0,066[ab]	0,095	-0,114	0,105	0,007	0,113
High-communist	57	18,0	0,341[a]	0,135	0,158	0,141	-0,213	0,159
Anti-monopoly component								
Disagreed	29	9,1	-0,385[b]	0,174	-0,226	0,206	0,013	0,185
Neutral	37	11,7	-0,016[b]	0,167	-0,131	0,134	-0,019	0,159
Agreed	251	79,2	0,047[a]	0,063	0,045	0,064	0,001	0,064
Anti-regulation component								
Disagreed	70	22,1	0,185	0,132	-0,174[b]	0,127	-0,400[b]	0,133
Neutral	55	17,3	-0,057	0,128	-0,221[b]	0,138	-0,160[b]	0,122
Agreed	192	60,6	-0,051	0,070	0,127[a]	0,069	0,192[a]	0,068
Ethnocentric Tendencies (CE)								
Tax on Imports, component 1								
High-non-CE	50	15,8	0,220[a]	0,095	0,234	0,150	0,340[a]	0,128
Less-non-CE	122	38,5	-0,171[b]	0,096	0,033	0,091	-0,001[a]	0,082
Less-CE	94	29,6	0,003[b]	0,106	-0,092	0,096	-0,151[b]	0,102
High-CE	51	16,1	0,189[b]	0,142	-0,137	0,142	-0,054[a]	0,174
Buy Romanian Products, component 2								
High-non-CE	53	16,7	-0,842[d]	0,126	-0,075	0,145	0,061	0,130
Less-non-CE	95	30,0	-0,370[c]	0,090	-0,089	0,107	0,115	0,097
Less-CE	118	37,2	0,315[b]	0,079	0,094	0,087	0,036	0,084
High-CE	51	16,1	0,835[a]	0,080	0,025	0,140	-0,362	0,176
Support Romanian Products, component 3								
High-non-CE	66	20,8	-0,503[c]	0,113	0,063[a]	0,140	0,119	0,114
Less-non-CE	101	31,9	-0,172[b]	0,094	-0,032[a]	0,102	0,120	0,090
Less-CE	90	28,4	-0,031[b]	0,101	-0,173[b]	0,093	0,010	0,097
High-CE	60	18,9	0,890[a]	0,081	0,245[a]	0,119	-0,349	0,163

Table 6.12 Regression estimated impact of decomposed Ethnocentric and Ideology components on Brand perception components

Dependent variables: Brand perception components	Component 3 Buy Romanian Brands					Component 2 Quality of Brand Products					Component 1 Buy Brand Products				
	B	SE	Beta	P	UR^2	B	SE	Beta	P	UR^2	B	SE	Beta	P	UR^2
Model 1: R2	5,5					2,8					6,8				
(Constant)	-0,17	0,18		0,37		-0,48	0,19		0,01		-0,42	0,18		0,02	
Communist_Ideology	0,19	0,06	0,19	0,00	3,4	0,02	0,06	0,02	0,68	0,1	-0,08	0,06	-0,08	0,16	0,6
Anti-monopoly	0,17	0,09	0,11	0,06	1,1	0,14	0,09	0,09	0,11	0,8	0,01	0,09	0,00	0,95	0,0
Anti-regulation (Free Market)	-0,09	0,07	-0,07	0,20	0,5	0,17	0,07	0,14	0,01	2,0	0,29	0,07	0,24	0,00	5,8
Model 2: R2	36,6					6,1					7,6				
(Constant)	0,08	0,15		0,62		-0,45	0,19		0,02		-0,43	0,19		0,02	
Communist-Ideology	-0,01	0,05	-0,01	0,88	0,0	0,02	0,06	0,02	0,70	0,0	-0,04	0,06	-0,04	0,53	0,1
Anti-monopoly	-0,04	0,07	-0,02	0,61	0,1	0,12	0,09	0,07	0,21	0,5	0,03	0,09	0,02	0,75	0,0
Anti-regulation (Free Market)	-0,01	0,06	-0,01	0,88	0,0	0,18	0,07	0,15	0,01	2,2	0,28	0,07	0,23	0,00	4,9
Tax on Import	-0,08	0,08	-0,08	0,33	0,2	-0,30	0,09	-0,30	0,00	3,2	-0,03	0,09	-0,03	0,79	0,0
Buy Romanian Products	0,48	0,07	0,48	0,00	9,0	-0,17	0,09	-0,17	0,05	1,1	-0,06	0,09	-0,06	0,54	0,1
Support Romanian Economy	0,20	0,10	0,20	0,04	0,9	0,34	0,12	0,34	0,00	2,5	-0,04	0,12	-0,04	0,70	0,0
R^2 change	31,1					3,3					0,8				

B = Un-standardized Coefficients; Beta = Standardized Coefficients; SE = Standard Error; UR^2 = Variable specific unique R^2 ; P = Significant level

A further breakdown of the analysis (model 2) shows that the relationships between "communist ideology", "anti-monopoly" and "free market" dispositions on the one hand, and "buy Romanian brands" on the other, are rather weak. Furthermore, consumers with strong "communist ideology" and those with "anti-monopoly" orientations tend to be completely indifferent to the issue of brand quality. As expected, there is a positive and significant association between consumers with "free market" ideological orientation and their views that foreign brand names signify good quality products ($p<0.01$). These findings support hypothesis 2 confirming the existence of a link between ideology and brand perception.

But consumers favoring "taxing imports" and "buy Romanian products" tend to have a negative association with the view that branded products signify good quality ($p<0.001$; $p<0.05$). Furthermore, contrary to our expectations, the results also show that consumers who endorse "support Romanian economy" tend to have positive and statistically significant association with the view that foreign brands signify high quality products ($p<0.005$). They also have positive and significant ($p<0.05$) relationship with the "buy Romanian brands" factor. The relationship with "buy branded products" in general is negative and not statistically significant. A possible explanation for these findings is that although Romanian consumers may generally consider branded products (especially foreign brands) to be of high quality this does not necessarily imply that they would buy them. Hypothesis 3 is therefore only partially supported.

With regard to the demographic characteristics, the results presented in Table 13 indicate that male respondents exhibit positive dispositions towards communist ideology but are not ethnocentric. They are indifferent concerning buying both foreign and Romanian branded products. The female respondents exhibit opposite dispositions. These associations are however not significant.

The results also show that respondents' age has a statistically significant association with ideology, ethnocentrism and brand perception ($p<0.05$). Consumers above the age of 45 years consider branded products to be of superior quality. They also endorse communist ideology and show higher preference for Romanian products in general and Romanian brands in particular.

We also found education to impact ethnocentric orientations and brand perception. Consumers with university education (i.e. 46.4 percent of respondents) compared to those with lower educational levels do not agree to the statement that well known or foreign brands necessarily symbolise good quality. They also have negative dispositions towards buying Romanian brands (Table 6.13). But they are indifferent to both communist and free-market ideologies. Thus, apart from education and age, the demographic factors do not seem to have any significant impact on ideology, ethnocentrism and consumer brand perception in Romania.

Table 6.13 Estimated mean for Demographic characteristic by Brand perception, Ideological preferences and Ethnocentrism components

			Perception of Brands			Ideology			Consumer Ethnocentrism		
			Buy Branded Products	Quality of Branded Products	Buy Romanian Brands	Communist ideology Fscore	Anti-monopoly	Anti-regulation (Free market)	Tax on Imports CE_FS	Buy Romanian _CE_FS	Support Romanian _CE_FS
	N	%	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Total	317	100	0,000	0,000	0,000	0,000	1,700	1,385	0,000	0,000	0,000
Gender			ns	ns	ns	ns	ns	ns	ns	ns	ns
Female	182	57,4	-0,081	-0,056	-0,029	-0,013	1,720	1,297	0,049	0,056	0,025
Male	135	42,6	0,110	0,076	0,039	0,018	1,674	1,504	-0,066	-0,076	-0,034
Age[#]			ns				ns	ns			
< 26	105	33,1	0,098	$-0,288_{c}$	$-0,347_{c}$	$-0,079_{b}$	1,648	1,314	$0,165_{a}$	$-0,209_{b}$	$-0,067_{b}$
26 – 45	136	42,9	0,003	$-0,002_{b}$	$-0,025_{b}$	$-0,101_{b}$	1,735	1,463	$-0,104_{b}$	$-0,071_{b}$	$-0,179_{b}$
> 45	76	24,0	-0,141	$0,402_{a}$	$0,525_{a}$	$0,289_{a}$	1,711	1,342	$-0,041_{ab}$	$0,416_{a}$	$0,413_{a}$
Education[#]			xx	x	x		ns	ns	ns	ns	xx
Primary	20	6,3	$-0,121_{bc}$	$0,289_{a}$	$0,374_{a}$	$0,122_{a}$	1,750	1,250	0,216	0,202	$0,390_{a}$
Secondary	89	28,1	$-0,274_{b}$	$0,215_{a}$	$0,161_{a}$	$0,389_{a}$	1,663	1,281	0,124	0,167	$0,313_{a}$
University	147	46,4	$0,180_{ac}$	$-0,059_{b}$	$-0,176_{b}$	$-0,143_{b}$	1,674	1,442	-0,034	-0,123	$-0,148_{b}$
Post (University	61	19,2	$0,005_{bc}$	$-0,267_{b}$	$0,067_{ab}$	$-0,262_{b}$	1,803	1,443	-0,171	-0,013	$-0,228_{b}$
Income[#]			xxx	ns	xx		ns	xx	xx	xx	xx
Zero	64	20,2	$0,097_{b}$	-0,169	$-0,380_{b}$	$-0,284_{b}$	1,688	$1,359_{bc}$	$0,104_{a}$	$-0,305_{a}$	$-0,197_{b}$
< 1501	123	38,8	$-0,278_{b}$	0,043	$0,230_{a}$	$0,423_{a}$	1,634	$1,163_{b}$	$0,330_{a}$	$0,226_{b}$	$0,409_{a}$
1501 2500	74	23,3	$0,048_{b}$	-0,005	$-0,064_{b}$	$-0,119_{b}$	1,797	$1,500_{ac}$	$-0,230_{b}$	$0,037_{b}$	$-0,121_{b}$
> 2500	56	17,7	$0,437_{a}$	0,106	$0,015_{a}$	$-0,446_{b}$	1,732	$1,750_{a}$	$-0,539_{b}$	$-0,197_{a}$	$-0,515_{b}$
Occupation[#]			xxx	xxx	xxx						
Students	83	26,2	$0,022_{b}$	$-0,212_{b}$	$-0,463_{c}$	-0,128	1,663	1,265	$0,154_{a}$	$-0,187_{b}$	$-0,014_{b}$
Unemployed	51	16,1	$-0,526_{c}$	$0,337_{a}$	$0,835_{a}$	0,439	1,784	0,980	$0,190_{a}$	$0,724_{a}$	$0,800_{a}$
Employee	35	11,0	$-0,136_{b}$	$0,212_{a}$	$0,142_{b}$	0,539	1,514	1,771	$0,287_{a}$	$-0,046_{b}$	$0,228_{b}$
Employee with high education	108	34,1	$0,051_{b}$	$-0,221_{b}$	$-0,063_{b}$	-0,162	1,750	1,407	$-0,067_{a}$	$-0,134_{b}$	$-0,248_{bc}$
Employer	40	12,6	$0,606_{a}$	$0,421_{a}$	$-0,057_{bc}$	-0,329	1,700	1,750	$-0,633_{b}$	$-0,131_{b}$	$-0,520_{c}$

[#] Same alphabet within each variable for each colon are not significantly different; ns =variable is non-significant; xxx =p<0.001 xx=p<0.01 x=p<0.05.

7. Discussions

The present study seeks to examine the extent to which communist ideology continues to impact consumer ethnocentrism and brand perception two decades after the collapse of communism in Romania. The results show that those consumers in our sample who manifested communist ideological orientation are more likely to support policies that emphasise "taxing imports", "buying Romanian products" and "supporting the Romanian economy". In other words, the results suggest a strong association between communist ideology and Romanian consumers' ethnocentric orientations. Thus, contrary to popular expectations, free market ideology has not, as yet, won over communist orientations in this part of the world.

These results are consistent with past findings from studies on the attitudes of CEE consumers a decade ago. For example, Witkowski (1993: 16) observed from a study of shopping activities in Poland in 1992 that "the transition from a centrally-planned communist society to a free-enterprise democracy is not universally applauded in Poland. Very conservative attitudes persist in rural areas and among older people and the lower classes". Similarly, Milanova (1999: 430) concluded from her study of Bulgarian consumers' behaviour in 1998 that "the experience of Bulgarian consumers with low-quality foreign goods that flooded the market in the early 1990s brought about a shift in attitudes towards the quality of the goods produced in the country. At present, Bulgarians demonstrate preference towards local brands as far as food, clothing and footwear are concerned". Furthermore, Lascu, Manrai and Manrai, (1996) advised that the communist abhorrence of ostentatious consumption persisted among Romanian consumers in the 1990s, and individuals who were better off than their neighbors tended to downplay that fact. The communist ideological orientations were also found to influence consumers' perception of brand quality. Thus, Huddleston, Good and Stoel (2001) reported that Polish consumers found domestic products to be equal or of superior quality to many similar international brands.

Contrary to Witkowski's (1993) findings in Poland, the results of this study suggest that the influence of communist ideology on ethnocentrism and brand perception in Romania (and probably other CEE countries) could be an urban, rather than rural, phenomenon. Furthermore, the results must not be taken to mean that non-communist ideologies will never gain acceptance among consumers in CEE countries. Parts of our analysis have shown that when free market ideology is fully embraced by consumers they are likely to accept foreign branded products. Some of the demographic characteristics of consumers such as gender, age and education seem to moderate their ideological orientations as well as their degree of ethnocentrism and brand perception. The younger generation in Romania, as well as the women and university-educated respondents, tend to have a weaker attachment to the communist ideology and are less ethnocentric than their male and older counterparts, as well as the relatively poorer consumer segments. The results are therefore consistent with the studies conducted by other scholars such as Sharma, Shimp and Shin (1995), Ueltschy (1998), Watson and Wright (2000) and Erdogan and Uzkurt (2010)who found that younger consumers have more open attitudes towards foreign products, and are less ideologically disposed (O'Cass and Lim, 2002; Wang, Siu and Hui,, 2004; Hsu and Nien, 2008).

Another finding of this study is that it provides additional empirical confirmation for the multi-dimensionality of the CETSCALE (see Saffu and Walker, 2006). Earlier studies have presented the CETSCALE as loading on a single factor at a time (see Shimp and Sharma, 1987; Netemeyer, Durvasula and Lichtenstein, 1991; Sharma, Shimp, T. and Shin, 1995; Kaynak and Kara, 1996; Watson and Wright, 2000). Our principal component analysis on the 17 items of the CETSCALE showed that they could be deconstructed into 3 component factors. Our findings therefore corroborate the results from Marcoux, Eiliactrault and Cheron's study (1997).

The study has implications for marketing practice. The findings confirm that Romanian consumers have not, as yet, rejected the communist legacy and its economic trappings. Many consumers still entertain nostalgic sentiments to life under communism. Thus, foreign companies operating in the bigger cities of Romania must seriously consider adapting their marketing strategies to fit local requirements. This observation is consistent with results from consumer culture research studies showing that, although consumers may react positively to global consumer cultural symbols and signs, they do so in relation to their local cultural discourses (Kjeldgaard and Askegaard, 2006; Hung, Li, and Belk, 2007; Torres, 2011). For example, Coca-Cola's made a decision to feature the Russian "firebird" myth and heroes of folk legends in its ads in Russia (Money and Colton, 2001).

It is also strategically purposeful for managers (both local and foreign) to pay attention to the ethnocentric dispositions of consumers in positioning their products and developing advertising messages. It may be useful for them to de-emphasise the country of origin of their products and emphasise their quality attributes instead. For example, our results suggest that consumers with "free market" ideological dispositions are willing to buy good quality products irrespective of the country of origin. Consumers with other ideological dispositions appear indifferent. Thus, by emphasising the quality of their products, foreign firms are most likely to reduce the negative country-of-origin associations that some Romanian consumers may have about the product.

7 Discussions and Conclusions

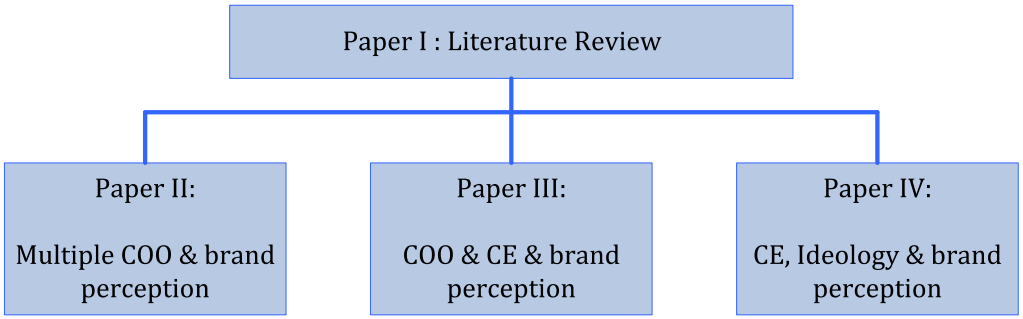
This chapter outlines the study's main findings by revisiting the research questions proposed in Chapter 1, after which the theoretical, methodological and empirical implications and contributions of the findings are presented. From this, a theoretical consideration is drawn, based upon the findings of the three empirical studies of the dissertation, and a theoretical model is developed. Finally, a research agenda for future research opportunities is put forward.

7.1 Revisiting the Research Questions and Main Findings of the Dissertation

The main findings of this dissertation are divided into four categories and presented in Figure 7.1:

1. Existing knowledge concerning COO effect on brand perception (Paper I);
2. Multiple COO effect on brand perception (Paper II);
3. COO and CE effect on brand perception (Paper III);
4. CE and Ideology and brand perception (Paper IV).

Figure 7.1 Main findings of the dissertation



Existing knowledge concerning the COO effect on brand perception

The overarching research question proposed for this dissertation (*How does the country of origin impact the brand perception of consumers concerning brands from developed and transitional markets?)*has been addressed in the literature review. A systematic literature review in the field of COO and brands/brand perception was undertaken, and three of the research gaps identified were addressed in the empirical papers. The review of the 77 articles showed a resurgence of academic interest in the effects of country of origin on brand perception after several years of limited interest. The articles reviewed were divided into the following 6 groups, each representing a specific research topic:

1. COO and brand evaluation
2. COO and purchase intention and brand perception
3. Multiple countries of origin and brand perception
4. COO and CE and brand perception
5. COO and quality assessment
6. COO and brand equity

The main findings drawn from the literature review are that the evidence is generally inconclusive with regard to how country of origin impacts the consumers' perception of brands from developed and transitional markets. This relates mainly to the first four issues; evidence on the last two issues is relatively consistent.

Based on existing literature, it appears that the COO effect has a positive impact on brand perception. Furthermore, the country-of-origin effect was found to be more positive for products originating from developed countries than those coming from emerging countries (Pecotich and Ward, 2007; Koubaa, 2008; Josiassen, 2010). On the contrary, both Zbib *et al.* (2010) as well as Bruwer and Buller (2012) argue that COO has less of an impact on the consumers' overall brand perception. It is true that COO image was found to have a positive and significant influence on purchase intentions when considering both high and low involvement products (Lee and Lee, 2011; Kumar *et al.*, 2009), but there is also some evidence suggesting that COO effect on purchase intention is insignificant (Johansson *et al.,* 1994; Aiello *et al.,* 2009; Diamantopoulus *et al.*, 2011). Furthermore, the relationship between multiple countries of origin and brand perception was found to be significant by scholars such as Hamin and Elliott (2006) and Essoussi and Merunka (2007). Conversely, studies by Hui and Zhou (2003) and Hamin and Elliott (2006), found no significant effect of COO sub-components on consumer product assessment or purchase intentions. Similarly, a positive relationship was found between COO and CE by Chryssochoidis *et al.* (2007), Ferguson *et al. (*2008) and Zolfagharian and Sun (2010). However, Yagci (2001) suggested that CE has no influence on the COO effect (Yagci, 2001), and consumer ethnocentrism becomes a significant predictor only when the product is manufactured in less-developed/liked country.

The apparent contradictions in some of the findings offer scope for future research in the fields of COO and brand evaluation, COO and purchase intention and brand perception, multiple countries of origin and brand perception, and COO and CE and brand perception.

I have decided to focus on two of the above issues (multiple countries of origin and brand perception, and COO and CE) for my empirical investigations, due to the fact that few papers have been written on these topics (12 articles on the topic of multiple countries of origin and brand perception, and 10 articles on COO and CE). This shows clearly that only a limited amount of research in these areas has been conducted (see Table 2.5).

The review also revealed that any contribution to the existing knowledge would require an emphasis on both mature and emerging countries, in addition to highlighting that previous studies have put more emphasis on researching well-known brands rather than unfamiliar or

fictitious brands. In the case of familiar brands, there is still no consensus as to whether COO actually matters in the presence of global brands. Furthermore, the limited studies using fictitious or unfamiliar brands have produced unclear outcomes as to whether COO has an effect on how consumers perceive potential new brands (Lin and Chen, 2006). For this reason, Denmark and Romania were chosen in order to represent both a developed and an emerging country, respectively, while a familiar brand, Tuborg (familiar beer brand), and an unfamiliar brand, Apollo (fictitious laptop brand), were chosen as part of the empirical investigations included in the dissertation.

Multiple countries-of-origin effect on brand perception

Paper II empirically tested whether the country-of-origin sub-components—country of design, country of assembly, and country of parts—of a high involvement product (laptop) with Western and non-Western countries of origin (USA, Denmark and India) is important in the evaluation of an unknown brand (Apollo).The results suggested that the brand perception and product assessment of hybrid products were dependent on the COO sub-components. The respondents were more likely to evaluate a laptop more favourably if it were designed and/or assembled in a developed country. The COP seemed to show no influence on the consumers' overall perception of the new brand. However, COD and COA triggered an interest in the young consumers' evaluation of the laptop by rating the laptop with developed COD and COA better than the one with an emerging market origin. Furthermore, the emerging economy image (i.e. India) was perceived unfavourably among younger consumers. These results are consistent with past findings from studies on the effect of COO on the consumers' evaluation of products. As Chao (2001) reported, COD is a more important determinant for consumers than COM or COP, due to the increasing outsourcing capacities of large transnational corporations. In the same vein, Hamzaoui and Merunka (2006), and Essoussi and Merunka (2007) have argued that the country information from the three sub-components may affect the consumer's product evaluations and perceptions. Similarly, Kaynak *et al.* (2000) found in their study that Western products are perceived as being of higher quality than products from developing countries.

Country of origin and consumer ethnocentrism effect on brand perception

Paper III tested the link between CE, COO, demographics and its implication for the Romanian consumers' evaluation of a Danish beer brand, Tuborg. The results suggested that the relationship between country of origin and consumer ethnocentrism and their effect on the Romanian consumers' brand perception only showed a significant relationship on the interaction between COO and the CE component "Support Romanian Economy" and how the Romanian consumers perceive the quality of the Tuborg brand, where those respondents who admit that the fact that the country of origin is Denmark has a positive effect are also more inclined towards less supporting the Romanian economy and thus are less ethnocentric. Furthermore, the results showed that country of origin has a significant impact on the consumers' perception of the beer brand, and the Romanian respondents were more likely to evaluate a low involvement product more favourably if it has a Western country of origin. These findings are consistent with past studies on the effect of COO on the consumers' brand perception. For example, Hu *et al.* (2008)

found that Chinese consumers consider COO as the most important factor in their wine evaluation process. The ethnocentric tendencies of the Romanian consumers in terms of taxation of imports and buying Romanian products were dependent on each other when analysing their impact on how the consumers perceive the brand. Consequently, the less ethnocentric consumers' dispositions are towards foreign brands, the less they support the taxation of foreign products and the less they are inclined towards buying Romanian products. These results are also consistent with studies by Ueltschy (1998) as well as Erdogan and Uzkurt (2010), who found that those consumers with low-ethnocentricity levels perceive foreign products more favourably than their high-ethnocentricity counterparts. Similarly, Chryssochoidis *et al.* (2007) evaluated the level of ethnocentrism of Greek consumers and investigated the CE-COO effect relationship and implications on consumers' perceptions regarding imported food products, like beer, ham and cheese. The findings suggested that CE affects consumer beliefs and how they evaluate the quality of domestic and foreign products.These findings add to the body of research supporting the notion that the relationship between country of origin and consumer ethnocentrism plays an important role in consumer product evaluation.

The results of the impact of the demographic characteristics on brand perception showed that in the case of gender, the perceptions were different between men and women. It was shown that men evaluated the quality of the Tuborg beer higher as compared to females. In the case of age and education, those respondents who assessed the brand favourably were either less than 26 years and had a secondary educational level, or were above 46 years and had a university education. The results are therefore consistent with studies by other scholars including Ueltschy (1998), as well as Erdogan and Uzkurt (2010) who found that younger consumers have more open attitudes towards foreign products, and are less ethnocentric.

The knowledge drawn from the study, which could be useful for scholars and practitioners alike, is that the Western COO effect showed a significant impact on the positive perception of the brand. Furthermore, quality plays an important role in the decision making process of the Romanian beer consumers.

Consumer ethnocentrism, ideology and brand perception

Paper IV examined the extent to which communist ideology continues to impact consumer ethnocentrism and brand perception two decades after the collapse of the communist regime in Romania. The results suggest that there is a strong relationship between consumer ethnocentrism, ideological orientation and brand perception, where respondents who manifested a communist ideological orientation are more likely to support policies that emphasise ethnocentric tendencies like "taxing imports", "buying Romanian products" and "supporting the Romanian economy". These results are consistent with past findings on the attitudes of CEE consumers (Lascu *et al.,* 1996; Milanova, 1999). Furthermore, the results of the study show that when free market ideology is fully embraced by consumers, they are likely to accept foreign-branded products and that the link between communist ideology and consumer ethnocentrism as well as between the ethnocentric tendency of the Romanian consumers and their brand perception is proven to be strong. The demographic characteristics of the consumers, such as

gender, age and education, seem to moderate their ideological orientations as well as their degree of ethnocentrism and brand perception. The younger generations in Romania, as well as the university-educated respondents, tend to have a weaker attachment to the communist ideology and are less ethnocentric than the relatively poorer older respondents. These results are also consistent with the studies conducted by other scholars such as Sharma *et al.*, (1995), Ueltschy (1998), Watson and Wright (2000) and Erdogan and Uzkurt (2010) who found that younger consumers have more open attitudes towards foreign products, and are less ideologically disposed (O'Cass and Lim, 2002; Wang *et al.*, 2004; Hsu and Nien, 2008).

As a concluding remark, the findings confirm that Romanian consumers have not, as previously believed, rejected the communist legacy, but nevertheless, consumers with "free market" ideological dispositions are willing to buy quality products irrespective of their country of origin.

7.2 Contributions to Theory and Methodology

The first paper's main theoretical contribution to the existing body of knowledge on COO effect must be seen in light of the fact that although past literature reviews have been influential and cited frequently in the field of country of origin, no literature review has thus far reported results dealing with the impact of COO on brand perception and the market-related multi-attribute influences of the COO effect. Furthermore, nearly all previous studies were conducted following the traditional literature review steps. Since there is an increasing recognition that all literature reviews should be systematic (Booth *et al.*, 2012), a systematic review can be a useful precursor to new research. The systematic literature review I have conducted reduces the incidence of bias and provides a clearer indication of the level of knowledge that the past two decades of research has produced on the subject. For this reason, I believe that the research gaps I have identified require academic attention and provide additional research avenues for future researchers in the field.

As noted in the literature review in paper I, previous studies have shown that consumers evaluate products from developed countries more favourably than those from less developed countries. In doing so, they may also be willing to pay a higher price than they would pay for products from developing countries. This situation creates marketing disadvantages for developing country products (i.e. the liability of country image). Our empirical investigation of the laptop perceptions among Danish university students (paper II) provides additional evidence in support of this phenomenon. This study contributed to the research of hybrid products and their effect on brand perception by comparing the effects of the country of design (COD), the country of assembly (COA) and the country of parts (COP) of a product with Western and non-Western countries of origin. While only twelve previous studies on this topic were identified through the systematic literature review, none of them had studied the possible implications of a fictitious product with Western and non-Western countries of origin.

Furthermore, paper II provides additional insights into the relative importance of the three sub-components of country of origin in young consumers' evaluation of high involvement products. Previous research has paid little attention to finding out the effect that country of origin has for consumers from developed countries when facing an unknown brand with different country cues (Schaefer, 1997; Hui and Zhou, 2003). This was one of the factors that motivated me to conduct research in this field.

Finally, the study explored the relative advantages and disadvantages of using emerging and industrialised economies as homes for the three sub-components of country of origin—COD, COA and COP. Previous empirical investigations into the hybrid product phenomenon have concentrated on firms originating from western industrialised countries (Essoussi and Merunka, 2007). Currently, the production of many globally-sold consumer goods occurs in emerging economies. Thus, the trend has reopened interest into country-factor research, with a focus on Western consumers' perception of products from non-Western economies (Ferguson *et al.,* 2008; Cayla and Arnould, 2008). As the results of the empirical investigation suggested, emerging economy images remain unfavourable among younger consumers. The implication is that marketers of developing country products must design strategies aimed at overcoming the COO disadvantages. Possible strategies may include the establishment of assembly plants in the mature industrialised countries (See Chu *et al.* 2010).

Paper III focused on analysing the effect of the two constructs on the Romanian consumers' brand perception and what kind of impact demographic characteristics exhibit on brand perception. It contributes to the research on the relationship between COO and CE and their impact on brand perception in two ways.

Firstly, the study seeks to make additional contributions to the limited empirical research knowledge about the links between COO, CET and brand perception involving internationally acknowledged brands. Previous research on the COO and CE effects on consumers in developed markets (as opposed to emerging markets) has been inconclusive, and thus scholars have called for additional contributions to this emerging stream of research (Ahmed *et al.,* 2004). Some studies have shown the negative effect of consumer ethnocentrism (CET) on the evaluation of foreign products by consumers in emerging markets (Klein *et al.,* 2006). Other studies showed either no significant effect (Huddleston *et al.,* 2001), or different effects based on product type (Hamin and Elliot, 2006), and perceptions of domestic products (Wang and Chen, 2004). It has also been noted that only limited empirical research has been conducted on the impact of COO and CET on consumer behaviour in emerging market economies (Kinra, 2006; Liu *et al.*, 2006; Chryssochoidis *et al.*, 2007). Additionally, previous research into the relationship between COO and CE included both low and high involvement products. While studies involving high involvement products have dominated this stream of research, a number of scholars also introduced low involvement products as being prone to COO and CE effects (Ahmed *et al.*, 2004; Chryssochoidis *et al.*, 2007).

Secondly, the systemic political and economic changes in the Central and Eastern European countries during the past two decades have provided both academic and strategic

marketing management justifications for the increasing number of studies in the field (Beverland, 2001; Pecotich and Rosenthal, 2001; Dmitrovic *et al.*, 2009).Consequently, this study provides additional evidence on how rapid systemic changes in economies impact consumer attitudes and behaviour. The Report on Consumer Spending Outlook and Value Creation in the New Global Economy states that between 2012 and 2016, the transitional markets from Central and Eastern Europe will add another US$95 billion per year to the global wealth, which means that the rapid acceptance of capitalism by many Eastern European countries, while presenting a major opportunity, also presents a challenge for marketers. This study is thus aimed at giving additional insights into how the consumers of a transitional CEE economy like that of Romania perceive brands from the "outside".

Paper IV makes a theoretical contribution to the research concerning the emergent ethnocentric tendencies among consumers in Central and Eastern European (CEE) countries and the relationship of the construct with political ideology and brand perception. During the first decade of the post-communist era, it was believed that, with time, consumers in CEE countries would adopt Western consumption patterns and behaviour, giving Western firms opportunities to apply well-known marketing strategies (Naor, 1990; Lascu *et al.*, 1996). Recent research, however, suggests that communist beliefs have not been totally eradicated from the minds of the CEE citizens, and that an increasing number of citizens in these societies yearn for the return to the communist era, which gives rise to nationalistic tendencies in consumer preferences (Marinov *et al.,* 2001; Demirbag *et al.*, 2010). As the results of the study suggested, there is a strong relationship between consumer ethnocentrism, ideological orientation and brand perception, and thus the present study fills a knowledge gap highlighted by Saffu *et al.*, (2010), who stated that there is a lack of empirical knowledge on the nature and strength of these relationships. Furthermore, Yagci (2001) suggested that since brand image has been found to be a strong predictor of consumers' attitudes to foreign products, investigations into the link between ideology and brand perceptions would also be useful.

The methodological contributions of the dissertation are three-fold. Firstly, as mentioned before, a systematic literature review to study the existent effect of COO on brand perception was needed, since there is an increasing recognition that all literature reviews should be systematic (Booth *et al.*, 2012). Furthermore, a systematic review is of particular value when there is uncertainty about what the evidence on a particular topic indicates, such as in this case where there is still uncertainty as to whether country of origin matters and what kind of effect it has on the consumers' brand perception in our globalised world (Petticrew and Roberts, 2006).

Secondly, additional empirical confirmation for the multi-dimensionality of the CETSCALE (Consumer Ethnocentric Scale) is provided in papers III and IV (Saffu and Walker, 2006). Previous studies have presented the CETSCALE as loading on a single factor at a time (see Shimp and Sharma, 1987; Netemeyer *et al.,* 1991; Kaynak and Kara, 1996; Watson and Wright, 2000), while the principal component analysis conducted on the 17 items of the CETSCALE showed that the items can be broken down into 3 component factors. Our findings therefore corroborate the results from Marcoux *et al.*'s study (1997).

Thirdly, a methodological contribution of the present study represents the adapted scales used in the empirical articles. These scales have been tested for reliability and can therefore be used in future studies.

7.3 Managerial implications

In addition to theoretical and methodological contributions, the current dissertation has managerial implications which have been addressed in the three empirical papers and are briefly outlined below.

The principle findings highlighted by the empirical studies is that a product's country of origin is of great import, whether the product in question is a low or high involvement product. In the case of hybrid products (Paper II), it is strategically purposeful for managers to mask the liabilities of a negative country image by selecting a brand name that disguises the country of origin or even select a brand name that suggests that it originates in a more favourably perceived country. Furthermore, developing market companies could make use of highly respected distribution channels in order to influence consumer attitudes to feel more favourably towards a product or brand. Firms have recognised the possible negative impact that manufacturing in developing countries may have on consumers' perceptions. They therefore highlight the country in which the products have been designed when operating on different markets. The iPhone is a good example in this regard. The company highlights the fact that the design of the product is done in California, typically stereotyped as a technology haven, and the assembly takes place in China, where nowadays, the most skilled workers in terms of technological equipment are located. Thus, when the respective product has a developed COD and COA, it can provide firms with competitive advantages, and the results of the present study confirm that consumers distinguish between developed CODs and developing COAs. This understanding means that managers can better assess the threats and benefits of locating various stages of their production/assembly/design in different parts of the world.

When it comes to the low involvement product used in papers III and IV, the findings represent some important guidelines for foreign beer companies that wish to enter the Romanian beer market. Romania is the second largest beer-consuming Eastern European country, closely following Poland (European Brewers Statistics, 2012) and therefore, foreign companies operating in Romania's larger cities must consider adapting their marketing strategies to fit local requirements. Firstly, since the Western COO effect showed a significant impact on the positive perception of a Danish beer brand, this cue should be taken advantage of in order to gain market share. Furthermore, the findings confirm that Romanian consumers have not, as yet, rejected the communist legacy. Hence, both local and foreign managers should pay attention to the ethnocentric dispositions of consumers in positioning their products and developing advertising messages. In this case, and in contrast to what has previously been suggested, it may be useful to de-emphasise the country of origin of their products and emphasise their quality attributes instead. For example, our results suggest that consumers with "free market" ideological dispositions are willing to buy good quality products irrespective of the country of origin, while

consumers with other ideological dispositions appear indifferent. Thus, by highlighting the quality of their products, foreign firms are most likely to reduce the negative country-of-origin associations that some Romanian consumers may have about the product.

7.4 Limitations

The dissertation is subject to several limitations. Firstly, a paper-based dissertation was a challenging option from the perspective of writing a well-organised and comprehensible methodology and conclusion chapter within the summary section of the dissertation.

Secondly, the type of product and the research context chosen can also be seen as a limitation by some researchers. For paper II, it would be interesting to determine the effects of COD, COA and COP for other high involvement products or even products with a low level of involvement. Furthermore, even though data was collected from a developed market (Denmark), a generalisation of all developed countries cannot, nor should not be made, and therefore, a replication of this study in other developed countries would be welcomed. For papers III and IV, only respondents from 3 cities in Romania were chosen, limiting the representativeness of the sample. Future studies could study the impact of COO and CE in Romania or any other country in a rural context, where educational level, as well as familiarity with foreign products, is lower. In addition, since the focus of these papers was on brand perception, it would be interesting to examine the consumers' purchasing intentions.

Thirdly, the number of participants (560) used for the two studies could be seen as a limitation. That said, a study ofthe sample sizes in the 77 articles reviewed in Chapter 2 indicates that an average of 300 respondents participated in most cases. With this in mind, the sample of 243 respondents for questionnaire 1 and 317 for questionnaire 2 may be thus considered adequate.

All things considered, every effort was made to conduct high-quality research in spite of the limitations on the abilities of a PhD candidate.

7.5 Theoretical Considerations

As stated before, the three empirical papers address three research gaps identified through the literature review presented in paper I. These investigations and their findings have helped me in re-evaluating the links between brand perception and country of origin. While the literature review has helped me to gain an overview of the existing gaps present in the COO literature thus far, the empirical investigations have improved my insights into additional areas of research to which developments within the international business context have given rise. They have also encouraged me to offer a new theoretical model for future research.

There are two lessons that I have drawn from the empirical papers. The first takes its point of reference from Theodor Levitt's (1983) argument that the world was witnessing the emergence of a global homogeneous culture as a result of global integration. He further noted that by converging value systems of consumers, there will emerge a "Global Village" where products and services would no longer be associated with a specific country. Furthermore, while globalisation has encouraged the expansion of firms' operations into unfamiliar market segments in both developed and emerging markets, this has also exerted a great influence on brands. The issue is not whether to sell products and services in a different market, but rather how to do so. Since then, there have been many developments that have challenged Levitt's earlier perceptions. Globalisation has contributed to the increase in importance of sub-national differences, and the revival of regional identities, rather than a convergence of consumers as Levitt suggested (Orbaiz and Papadopoulos, 2003; Heslop, Papadopoulos and Bourk, 1998). There is an increasing degree of regionalisation of markets since the creation of an integrated region creates economic benefits for members (Zahrnt, 2005), and within these regional centers there are political activities that bring these countries together.

Jain (1990) portrays regionalisation as a grouping of countries along regional lines. MNCs organise their worldwide operations into regions, such as Europe, the Middle East and Africa, or Asia Pacific (Rugman and Verbeke, 2004; Burr and Fischmann, 2008). The reasoning is that geographic proximity, shared history, culture and membership in the same trade bloc lead to easier communication in terms of marketing strategies and value chain activities. Furthermore, according to Mintzberg (1987), regionalisation practices are applied when companies are confronted with both internal challenges, e.g. cost savings, achieving critical mass, marketing activities, and external challenges, e.g. removal of trade barriers. Previous research on regionalisation and the emergence of regional blocks (i.e. EU, NAFTA, ASEAN) has proven that globalisation has stagnated as a result of these trade blocks and regionalisation has occured as a natural consequence (Rugman and Verbeke, 2004; Ghemawat, 2005).

In the context of the EU, regionalisation occurs for two reasons: firstly, the adoption of EU rules and supporting the convergence of the practices and behaviours from Western Europe to Eastern Europe; secondly, the huge variety of regional designs within the EU27 (Schimmelfennig and Sedelmeier, 2005). Given the recent emergence of regionalisation and its impact in terms of regional marketing strategy, and by studying Romania (papers III and IV), which has been a member of the European Union (EU) since 2007, I came to speculate on whether a community like the EU creates a specific type of homogeneous consumer. Furthermore, studies have shown that regional strategy and the theory of regionalisation is not a very familiar concept among practitioners (Schuh, 2007b). Thus, managers need to know how to conduct their business within these regional structures. While the characteristics of a regionalisation strategy are outlined in the EPRG framework (see Perlmutter, 1969), the advantages of the concept include greater awareness of environmental and market conditions specific to a region and standardisation of marketing campaigns that lead to economies of scale and a faster transfer of successful campaigns (Schuh, 2007b).

As indicated in my literature review, previous studies have indicated that developing countries' products suffer from a negative image in the eyes of consumers. The findings in paper II are consistent with this understanding. They show that when a branded product is designed and/or assembled in a less developed country, this produces significant negative effects on product evaluation.But does regionalisation mediate this negative image? For example, will companies and products from countries such as Romania and Bulgaria enjoy a more positive image simply due to their membership of the European Union? The present study has not provided any definite answer to this question. It is, however, worth noting that the respondents in paper II were students, and as such, while young people around the globe become better educated and more affluent, their tastes diverge (de Mooij, 2010). Furthermore, young people become socialised because of the homogenisation mechanisms and the mobility of people, especially in a regional center like the EU. The premise here is that people within a regional market think, behave and perceive things in similar manners (ElEnein and Phau, 2005). This stimulates sharing of perception, knowledge and consumer attitudes. Furthermore, with increased wealth, people increasingly accord greater relevance to their civilisational identity. Thus, a cross-cultural consumer analysis could be conducted in order to determine whether consumers belonging to a common regional market such as the EU share similar perceptions. It is conceivable that political activities bring these Western and Central Eastern European countries together. This could have an influence on how consumers are exposed to marketing activities even as the political leadership tries to move them closer to each other.

The second lesson is that the increasing internationalisation of firms from emerging market economies and the presence of their products on the developed country market seem to suggest that country image is becoming an important factor in the consumers' evaluation (see paper II again).

From the beginning of the 21st century, particularly with the shift of the economic center of the BRIC and other emerging countries, a new development has arisen as a result of a number of emerging countries becoming major players on the developed market and entering developed country territories. For this reason, developed country consumers now need to relate not to a single country from the developing regions of the world, but to multiple countries. Since off-shore outsourcing has been growing during the last 3 decades, there are multi-country production activities that have made hybrid products more important in our understanding, or have changed the image of hybrid products. The last two decades have seen a rapid expansion of foreign direct investment (FDI) from developing countries (Athreye and Kapur, 2009). In recent years, there has been a marked increase in the magnitude of flows of outward FDI from developing countries. Furthermore, almost a quarter of the Fortune Global 500 firms come from emerging markets, compared to only 4% in 1995 (The Economist, 2011).The growing internationalisation of firms from developing to developed countries is noteworthy since firms from these countries are now investing abroad to enhance their competitiveness by acquiring market access, technology, skills, natural resources and R&D facilities. They are also improving efficiency and building international brand names. Finally, while previous studies focused on developing country consumers and their perception of developed country products, the focus is now on developed

country consumers who have to respond to products from developing countries. This perspective has not received sufficient attention in previous studies and must be given attention in subsequent research (Schaefer, 1997; Hui and Zhou, 2003; Ferguson *et al.,* 2008; Cayla and Arnould, 2008).

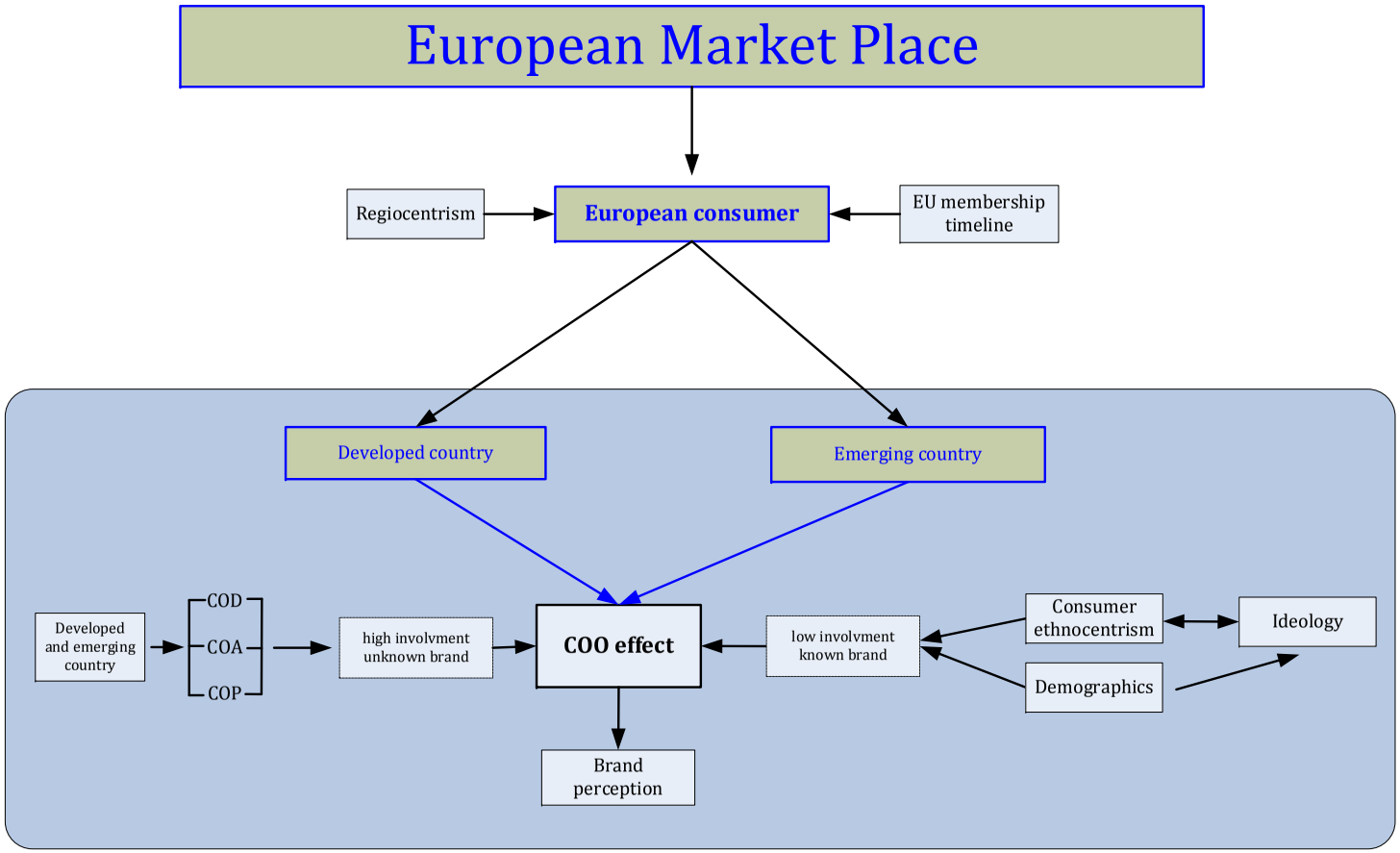
7.6 Towards a New Theoretical Framework and Research Agenda

In addition to the future opportunities put forward in the discussion chapters of the empirical papers (chapters 4, 5 and 6), this dissertation opens up an interesting area for future research. The marketing challenges posed by the two issues mentioned above require attention in future COO and brand image research. By converging them, I propose a new theoretical model for future research to study the effect of COO on brand perception. Figure 7.2 links together the three conceptual models presented in papers II, III and IV, and includes a new dimension, the EU market place, as having an influence on the consumption habits of both Western and Central Eastern Europeans.

This framework suggests two promising strands of research that I present briefly below. First, until 2004, the EU consisted of 15 Western European countries, a number which grew by 10 more countries as of 2004, symbolizing the unification of Eastern and Western Europe in the EU. The last members who joined the European Union were Romania and Bulgaria, bringing the total number of countries to 27. The introduction of the Euro moved the EU one step closer to becoming a truly "single" market. However, almost daily, the popular press discusses issues that bring into question the homogeneity of this market. Does this translate to the consumer perception of brands coming from developed or emerging countries inside the EU? These problems frequently focus on broad macro issues, such as differences in political structures or underlying economic conditions that make a complete or even substantial integration difficult (Polonsky *et al.,* 2001). The main idea of the EU was to develop a single market through a standardised system of laws that apply in all member states. The combination of independent states that have different political traditions, histories, cultures, and in some cases, values still exerts a great impact on the current economy (Bohata, 1997).

I therefore propose the view that a regional market such as the EU provides a degree of socialisation of consumers as well as a membership in a common market or an economic union. The more integrated a regional economy is, the more homogeneous consumers will be within that region. A tentative hypothesis to be tested in future studies in this regard would be: *the greater the similarity between the countries and the more integrated a regional economy is, the more homogeneous consumers will be within that region.* But does this have an impact on consumer perception and the COO image? One speculation would be that the country context would be decreasing while the brand at a regional base would be increasing. Authors like Orbaiz and Papadopoulos (2003) and ElEnein and Phau (2005) call for research into regional/inter-country differences and consumers' attitudes towards regional products.

Figure 7.2 Towards a new theoretical model



However, the results of such a study will be hard to predict. Although the movement of goods and services among the country members has been eased, it is unclear whether this diverse market will become a single market of homogeneous "Euroconsumers" with similar wants and behaviours (Schiffmann *et al.,* 2008). As these trends occur, I suggest looking beyond traditional business literature to understand these developments, like political science and sociology literature. In particular, the joining countries that have evolved under a controlled system, i.e. Central Eastern Europe, present obvious economic and social differences than Western European countries that have developed under capitalistic markets. At the same time, some previous research has shown that CEE consumers are exhibiting an increasing degree of ethnocentric tendencies (Beverland, 2001; Pecotich and Rosenthal, 2001; Dmitrovic, Vida and Reardon, 2009). Apparently, the transition from a centrally planned system to a free market economy in the countries of Central and Eastern Europe (CEE), for example, Romania, has not translated fully into a total eradication of the communist ideology in the mental fabrics of the citizens of this country (see paper IV). Furthermore, Van Ittersum (2002) argued that consumers with a strong sense of belonging to a region may also develop tendencies towards the region of origin and its inhabitants, referring to this form of ethnocentrism as regiocentrism.

A second interesting future research project would be to study whether the timeline of EU membership is of import. The literature suggests that there is an inbuilt/inherited consumer socialisation process in the EU countries. The first step into this research is to study 2 former communist countries which joined the EU at different times, such as Poland, which joined the European Union in 2002, and Romania, which joined 5 years later in 2007. Future research could test whether political economies/structures facilitate the socialisation process, particularly when regional structures are harmonised. Thus, one hypothesis could be that *EU membership has an impact on brand perception.* If this turns out to be true then we can predict how Romanian consumers would behave in 5 years by using Poland as a proxy, and thus forecast what one should expect when conducting business in other former communist countries in CEE. Furthermore, by providing the timeline in the socialisation process (how long would you need to be in the EU for that behaviour to develop?), justification for the research is provided since the literature has not been very specific in this area.

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Appendix for Chapter 2

2.1 Summary of the 77 Articles

Appendix 2.1. Summary of the 77 articles

Year	Author	Purpose	Product / Service	Country origin	Brands	Sample		Data collection method	Scale	Method	Findings
						Type & Country	No.				
1993	Ahmed and d' Astous	The aim of the paper is to investigate the effects of 3 COO, 3 brand names and 3 levels of price and service on the consumers' perception of a purchase value.	Cars	Japan, Russia, Canada	Toyota, Ford, and Lada	Canadian and Belgian adults	388	Survey	Made-in effect, brand effect, service effect and price effect	ANOVA	The results show that summary attributes such as brand name and COO will have a bigger impact on the consumers' overall perception of the brand, and their purchase intention.
1993	Chao and Rajendran	The goal is to examine whether COO has an impact on interpersonal perceptions.	14 household products	US, Japan, Germany	Multiple brands	US students	799	Survey	Consumer perception scale of brands	ANOVA	The results suggest that for people belonging to the professional rank the attitudes towards people owning foreign products have become more favourable and Japanese products and brands were found to be more appreciated than German ones.
1993	Ettenson	To explore the brand name and COO effects on the decision-making behaviour	TVs	Russia, Poland, Hungary, Japan, USA	Record, Helios, Videoton, Sony and General Electric	Russian, Polish and Hungarian adults	315	Survey	Conjoint TV description and likelihood of purchasing scale ranging from "not at all likely" to "very likely"	ANOVA	Three major findings: Brand name played less of a role in the consumers' decision-making process; the interaction between COO and brand name proved to play a relatively minor role in the decision making; consumers show more preference for Western TVs than for the local ones.
1994	Johansson, Rokainen and Czinkota	The study aims at exploring the extent to which risk attitudes, political convictions and COO associations affect the buying decision of a product from a controversial country.	Tractors	Russia, USA, Canada, Germany, Italy, Finland, S.Korea Japan	Belarus, Deere, Ford, Maxxum, Massey, Deutz, Hesston and Kubota	US farmers	43	Interviews	CETSCALE: Shimp and Sharma (1987). Perceptions of the "new" Russia; Political leanings.	Correlations	There are no strong COO effects for the Russian brand-Belarus.
1994	Lin and	The study examines the	Sweaters	USA, Italy,	N/A	Taiwanese	265	Survey	Product evaluation	ANOVA	COO was found to positively influence

	Sternquist	effect of COO on the consumer perception of product information cues.		Taiwan and Japan		shoppers in high-prestige stores, moderate prestige stores and general stores			scale		the consumers' product quality. The sweater which was labeled "Made in Japan" received the highest evaluation and the one labeled "Made in Taiwan" the lowest. COO and store prestige were found to have no influence on price estimation.
1995	Almonte, Falk, Skaggs and Cardenas	The study evaluates the Mexican consumer COO bias in relation to US and Mexican food	Chile salsa and potato chips	USA and Mexico	Chile salsa: Mexico-Del Monte, La Gloria. USA: Pace. Potato chips: Sabritas, Chips Barcel and Lay's	Mexican adults	302	Survey	Brand ad product related questions	Chi square tests of independence and McNemar chi-square statistics	Malinchismo does not appear to influence their preference for the two food products. A COO bias was found for Mexican Chile salsa but not for potato chips.
1995	Chao and Gupta	The purpose of this study is two-fold. Firstly, the authors want to examine the extent to which COO may influence consumer information search prior to buying a product, and secondly to test how COO influences the efficiency of consumer choices.	Cars	Japan, Europe and USA	Multiple brands	US new car buyers	1008	Survey	N/A	ANOVA	The results show that COO effects are not present prior to searching for information about a car. On the other hand COO information proved to be product specific and vehicle category specific.
1995	Ahmed and d'Astous	The study examines the impact of COO on household and organisational buyers' product perception by looking at COD and COA. Secondly, it	Computer systems, fax machines, cars and	Main comparison between: Canada, Japan, Mexico Other countries:	IBM, Fujitsu and Seikocha; Xerox, Toshiba and Samsung;	Canadian purchasing managers and household buyers	363	Survey	Country image scale, product familiarity, product involvement and purchase expertise	Conjoint analysis, ANOVA	COD is more important in organisational purchase than COA and brand name. In the case of household buyers, COD and COA are equally important, but brand name is more important than COO.

		compares the effects of COO cues between household and organisational buyers. Finally, it examines the buyers' perception towards Mexican products by changing from a single cue setting to a multiple cue setting	VCRs	Germany, USA, France, Italy, Belgium, South Korea, Brazil, Mexico, Morocco, India, Russia	Ford, Toyota and Hyundai; G.E., Sony and Samsung						
1996	Ahmed and d'Astous	The goal is to investigate how consumers react to hybrid products in the presence of brand name and other product cues	Cars, VCR and shoes	Canada, Mexico, Italy, Japan, USA, South Korea.	Hyundai, Ford, Toyota-Sony, GE, Samsung-Yellow, Trans Canada and Simard and Voyer	Canadian male adults	365	Survey	2 nine-point bipolar scale: perceived quality and purchase value	ANOVA	The results showed that the existence of COD and COA information has a stronger impact than brand name on consumer evaluation of quality and purchase value of cars, VCRs and shoes.
1996	Haubl	The study examines the impact of COO and brand on theconsumers' evaluation of a car.	Cars	Czech Republic	Mercedes-Benz Vision A	German and French car owners	622	Survey	Evaluation of COO scale: Parameswaran and Yaprak (1987) and Martin and Eroglu (1993). Evaluation of countries: Pisharodi and Parameswaran (1992) and Jaffe and Nebenzahl (1993). Brand image scale: Mcgee and Spiro (1991) and Gupta and Ratchford (1992). Evaluation of the vehicle: Scott and English (1989), Bayus (1991), Gupta and Ratchford (1992), and Chaiken and Maheswaram	Structural equation modeling-maximum – likelihood method	The brand name and the COO were found to have significant impact on consumers' attitudes towards the new car.

									(1994)		
1996	Nebenzahl and Jaffe	The study measures how perception of brand image changes when the production is sourced multi-nationally.	VCRs and microwave ovens	USA, Japan, Hungary, Poland and Russia	GE and Sony	US students	305	Survey	Brand and country image: (Nebenzahl and Jaffe, 1991; 1993).	t-tests and ANOVA	The perceived value of a product is a weighted average of its perceived brand and made in country values and the value can be higher or lower than the value of the brand without reference to the made in country. Furthermore, the image of a branded product is similar to the image of the same product when its home country is specified as the made in country, but when no made in country is specified, consumers impute the missing information by assuming that the made in country is the country associated with the brand.
1997	Schaefer	The purpose is to investigate the relationship between dimensions of consumer knowledge and the use of COO cues.	Beer	Germany, Belgium, UK, The Netherlands, Australia, Denmark,	One familiar brand name and one invented brand name: Beck's vs. Schneider, Stella Artois vs. Bouvier, Carling Black Label vs. Smith's, Heineken vs. Vandemeers, Fosters vs.JohnstonsCarlsberg vs., Tjælleberg,	UK adults	92	Survey	7 point semantic differential scale on the dimensions: overall quality, value for money, and social acceptability/trendiness.	Correlations using Spearman's rho	Brand familiarity and objective product knowledge have a significant effect on the use of the COO cue in product evaluation. Subjective product knowledge and personal experience with a brand were not found to have a significant effect on the use of COO in product evaluation.
1997	Bailey and Gutierrez de	The goal is to find out whether upper class	Agricultural	USA	None specified	Mexican adults	400	Personal Interview	CETSCALE (Shimp and	Logistic regression	The results indicate that there is a tendency for Mexican consumers

	Pineres	Mexicans have a positive attitude towards foreign made products, and whether or not the attitude of *malinchismo* influences the Mexican consumers' purchasing behaviour.	food products						Sharma, 1987);		within the highest socio-economic classes to be *malinchista*. Furthermore the results showed that those who prefer imported products over local products are more likely to have purchased an US value added agricultural product.
1997	Kaynak and Kara	The study explores Kyrgyz consumers' ethnocentric behavior and their preferences and purchase intentions for domestic versus foreign products.	General products	Japan, U.S.A., China, Russia, and United Kingdom	N/A	Kyrgyz consumers	601	Survey	56 AIO statements about lifestyle and CETSCALE	Cluster analysis and corresponde ce analysis.	Japan and U.S.A. were perceived to be associated with well known brand name, technologically advanced, expensive, luxury, good style and appearance. Russian products were perceived to be less reliable, durable and service orientated. Furthermore segments based on lifestyle and ethnocentrism were identified: *Strugglers* showed the highest ethnocentric tendency and for them brnad name is much less important than product workmanship, price, maintenance, and style. *Self Actualizers* displayed the lowest degree of ethnocentrism, where availability of alternative product choices, prestigious brand name, style, product workmanship, and maintenance are very impotant to this group.
1998	Lundstrom, Lee and White	The aim is to test the effect of national identity, cultural values and COO on the consumers' intention to buy foreign made products	Refriger ators	USA and Japan	N/A	Taiwanese adults	586	Survey	Cultural values, ethno-national identity,product familiarity, purchase intention, and country image	Factor analysis and comparison between the mean value of the sample groups	It was found that young consumers with a higher education and higher income prefer US appliances instead of the Japanese ones.
1999	Agbonifoh and Elimimian	The aim is to investigate the COO effect on attitudes towards products from more or less technologically advanced countries (TMA vs TLA).	Products in general, cars/spar e parts and electroni cs	UK, USA, Japan, Ghana, Taiwan and Nigeria	N/A	Nigerian adults	367	Survey	Five point Likert-type scale on durability, value for money, reliability, functionality, and "fashionable" quality (Belk and Russ, 1993)	Pairwise comparison – Student-Newman-Keuls multiple comparison procedure.	The results show that Nigerian consumers evaluate products from TMA countries more favorably than those from TLA countries. Reverse-ethnocentrism was also found to be present, since Nigerian consumers favor foreign products much more than domestic ones.

2000	Knight and Calantone	The study proposes and tests a new model of COO image, which is an extension and improvement of a prior work by Han (1989). The model describes cognitive processing of COO image in a variety of purchase intentions.	Cars	Germany	Mercedes Benz	Japanese and US students	914	Survey	Country image scale: Parameswaran and Yaprak (1987); Knowledge of cars scale: Brucks (1985)	SEM with EQS	Both country image and beliefs simultaneously influence attitudes, under low and highknowledge conditions
2000	Kaynak, Kucukemiroglu, and Hyder	The purpose is to examine the impact of COO on quality perception.	General products, electronic products, food products, fashion merchandising and household goods	Bangladesh, England, India, Italy, Japan, Korea, Sweden, Taiwan, USA, Germany	Not specified	Bangladeshi adults	196	Survey	Consumer perception scale	Correspondence analysis	Electronic goods from Japan, Germany and the USA were rated most favorably. Food products from the USA, Germany and England were ranked as top choices. Fashion merchandise from the USA, Germany and England were the three top choices. In the case of household goods, USA, Germany and England were ranked first, and Italy, Japan and Sweden as second and Korea as third choice. Products in general from the USA, Germany and Japan tied for first place, England as second and Sweden as their third choice.
2001	Yagci	The study examines whether brand image overrides the effect of CE under different COO.	Cars	BMW	Germany, USA and South Korea	US students	172	Survey	CETSCALE (Shimp and Sharma, 1987); Product quality evaluation (Chao, 1993)	Regression analysis	Brand image was found to bethe most important variable in predicting the consumers' attitude toward the product, quality perception, and purchase intention. CE affects brand evaluations when the product is manufactured in its home country (i.e., BMW in Germany). In the relationship between CE and COO, consumer ethnocentrism becomes a significant predictor only when the product is manufactured in a less-developed/liked country (i.e. S. Korea). It was found that CE has a greater importance than COO.
2001	Pecotich and Rosenthal	The aim is to study the impact of COO on quality, purchase intentions and price	Computer Printer	Australia,Japan, China and Gabon	BHP and Techpro	Australian local and foreign students	640	Survey	Product attributes: Han (1990), Nes and Bilkey (1993). Price perception:	MANOVA and ANOVA	COO was found to have no effect on the respondents' perception of price, their ethnocentricity and purchase intention when the brand information

		perceptions when CE is manipulated in the presence of brand information							Kulwani and Chi (1992). CETSCALE: Shimp and Sharma (1987)		was available. Only quality was found to have a very strong effect. The COO cue was found to have a significant effect when it was presented together with a strong national brand image.
2001	Lim and O'Cass	The aim is to examine the role of origin on the consumers' brand perception (Culture-of-brand –origin).	Fashion clothing	West vs. East	Western origin: Guess, Calvin Klein, Benetton. Eastern origin: G2000, Giordano, U2	Singaporean students	459	Survey	Subjective brand knowledge, subjective country knowledge and familiarity with the COO of the brand	Independent t-test, paired-sample t-test, cross-tabulation and discriminant analysis	The Singaporean students can more easilyidentify the cultural origin of the brands than their actual country of origin, and this is due to the consumers' perception of how well they are acquainted with the brand.
2001	Vida and Damjan	The study investigates the role of factors underlying consumer choice of domestic vs. foreign products of Slvenian consumers.	Multiple products	Slvenia and other countries	Amstel, Benetton, Colgate, Danlup, Epson, Fuji, Gatorade, Hershey, Ikea, Jack Daniels, Kellogg's, Lipton, Milka, Nike, Orangina, Perrier, Quelle, Ray Ban, Sisley, TDK, Uncle Ben's, Valvoline, Wrigley, Xerox, Yamaha, Zest	Slovenian students	182	Survey	CETSCALE (Shimp and Sharma, 1987), scales assessing their familiarity-awareness of global brands, cultural openness (Kent and Allen, 1994).	Regression analysis	The results suggest that the Slovenian respondents revealed low interest in domestic product consumption and rather non-ethnocentric attitudes. Furthermore the relationships between protectionism dimension of ethnocentric attitudes, familiarity with global brands and consumer domestic purchase decisions of the merchandise examined. Finally, findings did not lend support for the relationship between demographic variables and ethnocentric tendency.
2002	Parameswaran and Pisharodi	The study examines the extent of assimilation in the adaptation of host	Blenders	Germany and Korea	Krups and Goldstar	Immigrants, first-born generation	678	Survey	Country image: Parameswaran and Yaprak (1987).	SEM in LISREL	The relationship between the specific product attributes of the brand and purchase intention was significantly

		culture COO.				and US adults					strong, while the relationship between general product attributes and specific product attributes was not that strong. The foreign-born immigrants are influenced by the assimilation process of acculturation. The first generation immigrant is influenced both by acculturation and socialisation and the US consumers are influenced by a process of socialisation.
2002	Ahmed, Johnson, Ling, Fang and Hui	The goal is to investigate the impact of COO and brand on the consumer's quality perception and purchase intention	Cruise lines	Malaysia and USA	Star Cruise and Royal Caribbean Lines	Singaporean adults	192	Interviews	Scale on quality perception – McGuire (1968), in addition to CO information and brand information questions.	MANOVA	COO appears to be a more important informational cue than brand effects for quality or attitude ratings, while brand was more positively correlated with purchase intentions
2003	Chiuo	The study examines the effect of COO on the consumers' pretrial and post-trial product evaluation.	Digital cameras	1. Japan vs. Taiwan 2. Italy vs. Taiwan	N/A	Taiwanese students (experts vs. novices)	168	2 sets of surveys	Product evaluation scale (Spreng and Olshavsky)	ANOVA	The results suggested that COO has an effect on the pretrial consumer evaluation of the product (expert and novice), while in the case of post-trial it was found that there is a distinction between expert and novice.
2003	Hui and Zhou	The paper examines the impact of COM on brands and brand equity.	Electronic products	Japan and Mexico	Sony and Sanyo	US students	192	Survey	7 point Likert type scale of belief dimensions for durable goods: workmanship, reliability and durability and global product attitude scale.	ANOVA	The results show that COM does not have a significant effect on brand evaluation, when the information is congruent with the brand origin. Furthermore when a well-known brand like Sony is attributed to a less reputable COM, like Mexico, then the information produces negative effects on product evaluation, and this is the case to a greater degree for low equity than high equity brands.
2004	Ahmed, Johnson, Yang, Fatt, Teng and Chee Boon	The aim is to assess the COO effects on the evaluation of low involvement products	Coffee and bread	Coffee (Singapore, Switzerland, Colombia and Indonesia)Bread (France, Singapore,Malaysia)	Coffee: Nescafe, Super,, Boncafe and Indocafe: Bread:	Singaporean students and café customers.	236	Survey	Use of three extrinsic attributes: brand, COO and price	ANOVA	COO does appear to affect the Singaporean consumers' evaluation of lowinvolvement products, but they seem to be more affected by the brand than by the country where the food product originates.

					Delifrance, Geradenia and Top One						
2004	Paswan and Sharma	The study investigates the relationship between COO image and brand-country of origin. Furthermore factors influencing brand COO are also examined.	Franchising firms	USA, Germany, Japan, South Korea	KFC, McDonald's, Pepsi, Coke	Indian adults	695	Survey	COO image scale: Pisharodi and Parameswaran (1997) and Parameswaran and Yaprak (1987)	ANOVA and chisquare	Accuracy of brand –COO knowledge influences the COO image and helps a brand dominate the consumers' cognitive brand set domain. Whereas inaccurate brand COO knowledge leads to a negative image about COO. Antecedents like social class, education and travel abroad positively influence brand –COO knowledge.
2005	Sohail	The study examines the COO effect of the Malaysian consumers on products made in Germany	Household cleaning products, foodstuff, personal care items, clothing/ footwear, furnishing, electrical appliances and electronics	Germany	N/A	Malaysian adults (Malay, Indian, and Chinese)	244	Survey	Perceptions of goods: Leonidou *et al.* (1999)	ANOVA	The findings suggest that the products made in Germany were preferred for their quality. Malaysian consumers showed a high preference for automobiles and consumer electronics
2005	Liu and Johnson	The aim is to test whether country stereotypes can be activated through the presence of COO information and the effects it could have on how consumers perceive the brand.	Notebook computers	China and Japan	A,B,C,D,E,F,G,H	US adults	96	Experiment	Memory or an evaluation scale.	ANOVA	The participants' categorisation decision was accurate due to the use of the country stereotypes that were activated by the COO cue. The COO effects occurred without the participant's intention or control.

2005	Speece and Nguyen	The study looks at the importance of COO and individual brand perception and whether price cuts influence negative perceptions	TVs	Japan and Korea	Sony, JVC, Panasonic; and Goldstar, Samsung Daewoo	Vietnamese adults	100	Survey	Likelihood to buy	ANOVA	The results show that brand is the most important in the quality segment, moderately important in the value segment and lowest in the price segment. Sony is the top brand, and its quality is much more appreciated than its price. People with stronger quality orientation will choose Japanese brands. Daewoo is the highest priced Korean brand and it has the lowest quality, and price image.
2006	Hamin and Elliott	The study investigates the effects of COO (COA and COD) and CE on the Indonesian consumers' quality, price and value perception of goods.	TVs and airline travel	TVs (Japan, Netherlands, Indonesia, South Korea, Malaysia);Air line travel (Australia, Indonesia)	TVs (Sony , Phillips and Polytron); Airline travel (Quantas and Garuda)	Indonesian adults	547	Survey	CETSCALE (Shimp and Sharma, 1987);and questions concerning perception and purchase intention	Conjoint analysis	For TVs, the results show that brand is the most important, followed by COA and COD. For the services on the other hand, COO was found to be more important than price for both high and low CE. All CE groups judged the Sony brand to be the best, while the high CE respondents preferred the domestic brand Polytron over the foreign one and the preference for the low CE respondents was vice versa. The same was found to be true for the service brands.
2006	Balestrini and Gamble	The goal is to examine the behaviour of Chinese wine consumers towards COO effects.	Wine	France, Australia, Italy, Spain, USA, China and Germany	N/A	Chinese adults	100	Survey	COO, price and brand related questions	Paired Sample t-test	COO is not given more importance than brand when the Chinese consumers evaluate the wine quality, and they find COO more important when the wine is being purchased for special occasions than for their private consumption.
2006	Phau and Sunttornnon d	The purpose of this paper is to determine how different dimensions of consumer knowledge can affect COO cues	Beer	Australia, Netherlands, Germany, New Zealand	For each country a familiar and an unfamiliar brand name was chosen: VB, Johntons, Heineken, Van de	Australian adults	365	Survey	Schaefer's scale (1997)	Correlations	The results show that COO cues affect Australian consumers in their evaluation of beer products. Furthermore it suggests that brand familiarity mediates the extent to which the consumers rely on COO information.

					Veer, Beck's, Schneider, Steinlager and Massey						
2006	Lin and Chen	The aim is to explore the effect of country-of origin-image, product knowledge and product involvement on consumer purchase decision.	Insurance and catering service	Taiwan, China and USA	N/A	Taiwanese adults	369	Survey	Country image: Martin and Eroglu (1993), Chen (2000). Product knowledge scale: Brucks (1985), Lin and Zhen (2005). Product involvement: Chin (2002). Purchase decision: McQuarrie and Muson (1992), Chin (2002). Purchase intention: Dodds *et al.* (1991)	Pearson's correlation coefficient analysis	The study implies firstly that country-of-origin image, consumer product knowledge, and product involvement have a significantly positive influence on consumer purchase decision; and secondly that country-of-origin image and product knowledge have a significantly positive influence on consumer purchase decision under different product involvement levels.
2006	Kinra	The aim is to investigate the Indian consumers' attitudes towards local and foreign brands, by looking at the COO effect and ethnocentric tendencies.	12 product categories representing 2 high technology products (cars, refrigerators, TVs, washing machines, cameras and watches), and low	India, South Korea, Japan, China, Germany, France, Britain and USA	Multiple well-known brands like LG, Whirlpool, Pepsodent etc.	Indian adults	112	Survey	CETSCALE: Shimp and Sharma (1987)	Correlations	Foreign brands were perceived as being more reliable and safe by Indian consumers, than their local brands. COO credibility was rated high for foreign brands, particularly for consumer durables. Concerning the ethnocentricity level, Indian consumers were not prejudiced against foreign brands; they evaluated them higher on quality, technology, status and esteem, than Indian brands.

			technology products (jeans, shoes, perfumes, shampoos, cold drinks and ice cream)								
2006	Jin, Chansarkar and Kondap	The aim is to investigate whether consumers use brand origin rather than COO cues in evaluating a brand	Cars, soft drinks, consumer brands, personal computers, and fashion clothing.	India, China, UK, Japan and USA	consumer durables (Maruti, Toyota, and Ford), frequent consumption (Brook Bond, Nescafe, Cola, Amul, Colgate, and Cadburys), technological (Siemens, Sony, and Microsoft), pharmaceutical (Crocin) and fashion brands (Arrow and Levi's)	Indian students	145	Survey	Areas of investigation: knowledge about economic development of each of the five countries, similarity between countries, choice of brands originating from a country, preferences for brand origin in different product categories, and association of brands with a country.	Chi-square test of association between categorical variables, paired-sample t-test, and factor analysis.	Brand origin was found to be an identifiable feature for Indian consumers; they have associated the brands with countries where the brands are originally developed rather than with countries in which the products are currently produced. Higher income groups were found to show preference towards foreign brands and those brands originating from a developed country (UK) were perceived to be superior than those from a less developed country (India).
2006	Pappu, Quester and Cooksey	The study examines the relationship between COO and brand equity.	Cars and TVs	Toyota, Mitsubishi and Suzuki – Sony, Toshiba	Japan, China and Malaysia	Australian adults	597	Survey	Brand equity: Aaker (1991, 1996, 1997), Yoo *et al.* (2000), Yoo	MANOVA	The consumer-based equity of a brand made in a country with stronger product category-country associations (e.g. Japan), was significantly higher

				and Hitachi					and Donthu (2001). Perceived quality: Aaker (1991)		than that of the same brand made in a country with weaker product category-country associations (e.g. China/Malaysia). The consumers' COO associations showed a significant influence on their brand associations. Finally,respondents were found to be more loyal towards a brand made in a country with a strong association with the product category compared to the same brand made in a country with a weaker association with the product category.
2006	Kwok, Uncles and Huang	The goal is to investigate the impact of COO effects on purchase behaviour.	Soy sauce, dried noodles, laundry detergent, packaged water and fresh milk	China (Eastern products), Taiwan and Hong Kong (Western products)	General grocery brands	Chinese adults	432	Survey	Use of Likert-type scales to measure attitudes to local and foreign brands in general and also attitudes to 11 specific fast-moving consumer goods (FMCGs).	Independent sample t-test.	Chinese consumers prefer to buy local Chinese grocery brands instead of foreign ones, although this preference for local brands is not reflected in their purchase behaviour.
2006	Liu, Murphy, Li and Liu	The study examines how CE relates to the Chinese consumers' brand evaluation across 3 brand naming strategies: Chinese name, English and Chinese name and English and Chinese name with the brands' COO.	Store sign of a bread shop	Australia and USA	Fictitious brand: Golden Bread	Chinese adults	301	Survey	Attitude towards advertisement: Lee (2000); Buying Intention: Edell and Staelin (1983) and Mackenzie (1986); CETSCALE (Shimp and Sharma, 1987); Product-country image: Shimp *et al.* (1993)	MANOVA	The study suggests that CE level has a negative impact on the evaluation of a store sign containing a foreign brand name and a foreign COO. The interaction between COO and CE on foreign brand evaluation was proven to be significant when the COO was USA, but insignificant when the COO was Australia.

2007	Chryssochoidis, Krystallis, and Perreas	The study evaluates the level of ethnocentrism of Greek consumers, and investigates the CE-COO effect relationship and implications on consumers' perceptions regarding imported food products.	Beer, ham and cheese	Netherland, Italy and Greece	N/A	Greek adults	274	Survey	Evaluation of product attributes: Steptoe *et al.* (1995); CETSCALE Shimp and Sharma (1987)	Principal component analysis, confirmatory factor analysis, cluster analysis	The Greek sample was characterised as marginally ethnocentric. The results showed that CE affects consumer beliefs and how the perceived quality of domestic and foreign products are evaluated, culminating in the appearance of COO-effects. In ethnocentric consumers, the COO effect is country-specific. When the foreign country of origin is given, the COO effect is product-specific. For the non-ethnocentric consumers, COO does not lead to an overall acceptance or rejection, but instead it is attribute-specific.
2007	Yasin, Noor and Mohamad	The paper examines the effects of country-of-origin image on the development of brand equity.	TV, refrigerator and air-conditioner	Malaysia	N/A	Malaysian adults	501	Survey	Brand loyalty: Yoo *et al.*(2000), Chaudhuri (1995), Aaker (1991). Brand awareness: *Yoo et al.*(2000). Subjective judgment about a brand's functionality and reliability: Yoo *et al.* (2000). Strength of association: Yoo *et al.* (2000). Brand Equity: Yoo *et al.* (2000)	Regression	Brand distinctiveness, brand loyalty and brand awareness/ associations have a significant impact on brand equity. COO image influences brand distinctiveness positively and significantly. As an overall remark, COOimage plays an important role in consumer purchase decision. There is a positive relationship between country image and brand loyalty. Country image is also found to have a significant effect on brand awareness/associations.
2007	Pappu, Quester and Cooksey	The study examines whether there is a relationship between macro country image, micro country image and consumer-based brand equity, and whether these relationships are consistent across different product categories.	TVs and cars	Japan, Malaysia and China	Sony, Toshiba and Hitachi- Toyota, Mitsubishi and Suzuki	Australian adults	539	Survey	Country image: Nagashima (1970, 1977), Martin and Eroglu (1993). Consumer based brand equity: Aaker (1991, 1996), Aaker, (1997), Yoo *et al.*(2000), Yoo and Donthu	ANOVA	There is a significant relationship between consumer-based brand equity dimensions and both macro and micro country images of the brand.For TVs, brand associations had a stronger impact than perceived quality and brand loyalty. In the case of cars, perceived quality showed a higher significance level to the relationship than brand associations

									(2001)		and brand loyalty. The relationship between consumer-based equity and country image was product category specific (i.e. cars are much more sensitive to country image impacts than televisions.
2007	Pecotich and Ward	The purpose is to investigate the decision making process of the consumers with respect to foreign brands and COO effects.	Computers	Australia, USA, France, China and Morocco	Well-known brand "IBM" and a not so familiar brand "Osborne Computers"	Australian students and adults-	44 novices and 20 experts	Experiment between novices and experts	QA: knowledge of countries and the quality perception of the products in those countries. QB: collecting a list of products or services each country was perceived as good or weak at producing.	MANOVA	The results show that both novices and experts exhibited a degree of domestic preference. Experts used the COO information as a summary construct while the novices used the COO information as a halo, regardless of brand name and quality.
2007	Essoussi and Merunka	The study aims at showing how consumers in emerging economies use joint information of the brand, the COD, and the COM to evaluate bi-national products.	Cars and TVs	Cars: COD (Germany and Korea), COM France, Taiwan) TVs: COD (Japan, Germany), COM (Japan, Taiwan, Italy)	Mercedes, Opel, Daewoo and Hyundai – Sony, Sharp, Telefunktion, Grundig	Tunisian adults	389	Survey	Country image scale: Martin and Eroglu, 1993) COD image/product fit and COM image/product fit (Keller and Aaker, 1992). For perceived product quality and brand image, (Dodds *et al.*, 1991) and (Lee and Bae, 1999). For congruity of the brand image/COM image (Heimbach, 1991). Typicality (Loken and Ward, 1990). Perceived quality of the branded product (Keller and Aaker, 1992).	SEM by LISREL	Consumers are sensitive to the COD and the COM of branded products. The congruity between brand image and COD is significant, and the one between brand and COM is also important since product evaluations decrease when consumers do not trust the manufacturing country.
2007	Karunaratna	The study examines how	Cars	Australia,	Holden,	Australian	445	Survey	NFC scale	Choice	Nationalism appears to influence the

	and Quester	the need for cognition (NFC) influences the degree to which purchase intention is influenced by COO components.		Germany and Japan	VW and Mazda	adults			(Cacioppo *et al.*, 1984)	based conjoint analysis	way consumers evaluate product components for Australian car components. Despite the fact that Holden has a foreign owned status, the brand is still closely associated with the Australian psyche and this may be the most powerful influencer of purchase intention. The Mazda brand is preferred over VW (which increases as NFC increases), but for every other component system, German components are viewed as superior.
2008	Wong, Polonsky and Garma	The study examines firstly the extent to which COD, COA and COM affects consumers' product quality perceptions and purchase intentions for high involvement products, and secondly the extent to which the CE level has an impact on product quality perceptions or purchase intentions and how this interacts with the COO sub-components.	Cars and digital cameras	China and Germany	N/A	Chinese students at Australian Universities	272	Survey	CETSCALE (Shimp and Sharma, 1987); Product quality judgment and future purchase behaviour: Chao (1998)	MANOVA	The study found no direct effect of the three COO sub-components on consumer product assessment or purchase intentions for the two highinvolvement products. Ethnocentrism was also found to have a limited impact on the COO sub-components.
2008	Ferguson, Dadzie and Johnston	The purpose of the paper is to identify the effect of COO on service evaluation.	Educational system	USA and local education system	N/A	Stakeholders of higher education services in Burkina Faso, Ghana, Ivory Coast, Mali and Nigeria	300	Interviews		Conjoint analysis, cluster analysis	Personal characteristics, such as motivation and ability to process information on one side, and ethnocentrism and culture orientation on the other, may influence the use of COO attributes in evaluating a service.
2008	Koubaa	The goal is to investigate the impact of COO effects on brand perception and brand image structure	Digital cameras and plasma TV	Japan, USA, China and Indonesia	Sony and Sanyo	Japanese adults	129	Survey	The scale encloses 15 items measuring the product quality, reliability, durability, style,	Exploratory and confirmatory factor analysis and ANOVA.	The findings suggest that COO has an effect on brand perception. Sony and Sanyo images enjoy a more favourable perceptionwhen the product is made in Japan and start to decrease continuously when the production is

									market presence, which used also by Parameswaran and Yaprak (1987).		shifted to USA, China, and Indonesia
2008	Wang and Yang	The purpose of the paper is to investigate the relationship between COO image, brand personality and purchase intentions.	Cars	Germany and Japan	Bora and Accord	Chinese middle class auto consumers	369	Survey	COO image: Roth and Romeo's scale (1992)	Confirmatory Factor Analysis	Results show that brand personality and COO show significant effects on purchase intention and COO was found to be an important moderator between brand personality and purchase intention.
2009	Kumar, Kim and Pelton	The aim is to find out the Indian consumers' perception about local and US clothing brands. Furthermore it seeks to find out whether the individual's self- concept affects brand perception.	Clothing	India, USA	Levi's and local brand	Indian students	405	Survey	Model consisted of one exogenous variable (self-concept) and five endogenous variables(clothing interest, perceived quality, emotional value, purchase intention, and need for uniqueness (NFU))	Confirmatory Factor Analysis and Structural models	The Indian consumers' NFU, self-concept and perceived quality have an indirect effect on the consumers' purchase intention, while emotional value was directly influencing purchase intentions.
2009	Baldauf, Cravens, Diamantopoulos and Zeugner-Roth	The study assesses how brands are perceived by retailers (defined as retailer-perceived brand equity–RPBE). Next it extends the research on the determinants of brand equity by investigating the antecedents of RPBE. Thirdly, it investigates the effect of COO as a driver of RPBE. And finally the performance consequences of RPBE are analysed.	Ceramic tiles	Czech Republic, Italy and Slovakia	N/A	Austrian retail managers	142	Survey	RPBE on the customer based perspective: (Aaker (1991), Keller (2003), Yoo and Donthu (2001). Retailer perceived quality: Beatty and Kahle (1988), Dodds, Monroe, and Grewal (1991), Yoo, Donthu, and Lee (2000), Yoo and Donthu (2001). Marketing mix activities as antecedents of RPBE: Yoo, Donthu, and Lee	Confirmatory Factor Analysis in AMOS	The findings suggest that: -there is a positive impact of supplier image on RPBE. -there is a negative relationship between price level and RPBE. -retailers value frequent and expensive promotion campaigns launched by manufacturers. -there is a positive relationship between PCI and RPBE. -there is apositive effect of RPBE on brand profitability performance which supports the notion that brand equity is an important intangible firm asset

									(2000). Product country image: Roth and Romeo (1992). Brand profitability performance: Jaworski and Kohli (1993), Lusch and Brown (1996), Moorman and Rust (1999).		
2009	Thanasuta, Patoomsuwan, Chaimahawong and Chiaravutthi	The purpose is to quantify the effect of COO and brand name in monetary units	Cars	Germany, Sweden, France, Japan, Korea, Malaysia and USA	Audi BMW Chevrolet Citroen Ford Honda Hyundai Isuzu Kia 0.049 Mazda Mercedes Benz Mitsubishi Nissan Peugeot Proton Ssangyong Subaru Suzuki Toyota Volvo	Thai adults	244	Survey	Evaluation of different car brands	Hedonic price model	The German brands are ranked the highest, with Mercedes at the top, BMW second and Audi in third position. The Japanese brands present the same valuation ranges as their American competitors. The luxury car segment has high entry barriers as seen by the positive relationship between market share and the price premium rankings of the top two brands, Mercedes and BMW.
2009	Aiello, Donvito, Godey, Pederzoli, Wiedmann, Hennigs, Siebels, Chan, Tsuchiya, Rabino, Ivanovna, Weitz and Singh.	The study examines the influence of COO and brands on the consumers' perception and purchasing behaviour.	luxury products	Italy, France and UK	Cartier Chanel Dolce e Gabbana Armani Gucci Versace Yves Saint Laurent Dior Valentino Louis Vuitton	Italian, French, German, Russian, Indian, Chinese, Japanese and US students	165	Interview	COO image scale (Roth and Romeo, 1992)	ANOVA	For luxury goods, the brand has a higher influence on product evaluation and purchase intention than the COO. The luxury brands are generally well known to respondents, and their nationalities are clear.

					Prada Bulgari Hermes Salvatore Ferragamo Burberry						
2010	Chu, Chang,Chen, and Wang,	The study examines whether brand image could counter a negative COO.	Laptops	China and Taiwan	Sony and Asus,	Taiwanese students	232	Survey	Perceived quality: Dodds *et al.* (1991), Erevelles *et al.*(1999). Perceived favorability: Liu (2001)	MANOVA	Brand and COO are important determinants of consumers' perceptions of quality and favorability. Brand did not interact with COO to affect perceived quality and perceived favorability. The evaluation of products is more favorable in joint evaluation than in separate evaluation. The COO effect was stronger when consumers were exposed to joint evaluation than when they were exposed to separate evaluation.
2010	Cumberlan, Solgaard and Nikodemska -Wolowik	The paper assesses the impact of COO and CE on Polish consumers' evaluation of and buying intentions toward Danish manufactured products	Furnitur e and clothes	Denmark	furniture brands (Fritz Hansen); fashion clothes (IC)	Polish consumers from Gdansk	251	Survey	CE and antecedents of CE: ''cultural openness,'' ''patriotism,'' ''conservatism,'' and ''collectivism=individualism''(Sharma et al. 1995). Export country attributes: "concern for political posture'' and ''concern for religious belief'' (Festervand and Sokoya, 1994). CETSCALE (Shimp and Sharma, 1987).	Multiple Discriminant Analysis	The results suggest that for Polish consumers, the impact of CE is minimal regarding the two Danish brands. Buying imported goods is considered negatively by ethnocentric consumers, rather than any specific negative COO effect coming from Denmark
2010	Zolfagharian and Sun	The paper investigates how bicultural consumers differ from mono-cultural consumers and how they perceive COO image and ethnocentrism	Microwa ve oven	USA and Mexico	Fictitious brand: Fiesta	US students (A), Mexican students (M), and	38 (A), 39 (M), 71 (M	Survey	Respondents' cultural categories (hispanic-ness scale): Valencia (1985). Evaluation of Fiesta's quality:	Independent sample t-test	Biculturals are less ethnocentric than American or Mexican monoculturals. Furthermore they show a more favourable quality evaluation and purchase intention toward American brands than Mexican monoculturals;

						American-Mexican students (MA)	A)		Petroshius and Monroe (1987). Intention to purchase Fiesta: Teng and Laroche (2007). Consumer ethnocentrism: Shimp and Sharma (1987).		and towards Mexican brands than American monoculturals
2010	Kumara and Canhua	The aim of this study is to conceptualise the use of the COO in the evaluation of foreign products. Furthermore the study examines different types of consumer expectations of foreign products.	Foreign products in general	Foreign	None	Chinese students	170	Survey	COO expectation attribute scale	Principal and confirmatory factor analysis	The derived model of COO expectations of foreign products shows that consumers' expectations of foreign products have four dimensions: economic, information, conviviality and personality
2010	Zbib, Wooldridge, Ahmed and Benlian	The purpose is to study the COO effect of the Lebanese consumers on potato chips. Furthermore it tests the relationships between country of manufacture and consumer behaviour; purchase intent and product quality.	Potato chips	Lebanon, Egypt, Belgium, and Kingdom of Saudi Arabia	Fantasia, Master,Pringles, Doritos.	Lebanese adults	308	Survey	Different product cues and COO	ANOVA	The paper finds that there are demographic differences in the evaluation of potation chips. The evaluation of specific attributes did not vary by country of origin and there were no differences in overall quality perceptions by country of origin.
2010	Josiassen	The study investigates if a COO effect can be found in the context of young Australian consumers, and whether product involvement influence the product evaluation of young Australian consumers.	Electronics	Multi-country brand origin	N/A	Australian students	280	Survey	COO image: Josiassen *et al.*(2008). Product evaluation: Lim *et al.*(1994). Product involvement: Zaichkowsky (1994). Product-origin congruency: Josiassen *et al.* (2008).	Hierarchical regression analysis	The study suggests that the COO effect plays a significant role in young Australian consumers' purchase behaviour. Furthermore it indicatesthat less involved young consumers will depend more on COO image than will more involved young consumers.
2010	Fetscherin and Toncar	This paper tests the impact of country of origin of the brand and	Cars	USA (developed country) and	N/A-Chinese car and US	US students	119	Survey	Brand personality scale (Aaker 1996)	MANOVA	The COM of a car was perceived to be of a higher influence than the COB. It was found that the US car made in

		the effectof the country of manufacture on the consumers' brand personality perceptions of local and foreign brands.		China (developing country)	car						China had a lower brand personality than the Chinese car made in the USA.
2010	Zbib, Wooldridge, Ahmed and Benlian	The aim is to study the effect of COO on the Lebanese shampoo consumers.	Shampoo	Kingdom of Saudi Arabia, France, USA, Egypt, Turkey, Lebanon	Pantene, Sunsilk, Palmolive	Lebanese adults	307	Survey	Different product cues and COO	ANOVA	The study suggests that there are no differences in the quality perceptions of the product nor the attribute evaluation of shampoos sourced from different countries. It was found that consumers purchase certain brands based on the COO of the shampoo, although COO is not one of the key attributes affecting the choice of Lebanese consumers.
2011	Lee and Lee	The paper examines the impact of COO image on consumers' perception of a product and how to establish a successful brand redeployment strategy to ensure M&A	Computers	China and USA	Lenovo (5 redeployment brand options: new brand, IBM, Lenovo, IBM-Lenovo and Lenovo-IBM)	Taiwanese adults	325	Survey	Scale for measuring general country and people attitudes, and attitudes towards products (Yaprak and Parameswaran (1986), Parameswaran and Pisharodi (1994), and Laroche *et al.* (2003)). Scale for purchase intentions (Dodds *et al.* (1991), and Janssens and de Pelsmacker (2005)).	Regression and ANOVA	The results imply that the COO image (general country attributes andgeneral product attributes) has a positive and significant influence on purchase intentions after M&A, and general product attributesplay a mediating role between general country attributes and purchase intentions
2011	Kabadayi and Lerman	The paper examines the moderating effect of trusting beliefs about a store on COO effects.	Toys stores (Teddy bear)s	China and Germany	FAO Schwartz and KB Toys	US students	224	Survey	COO image: Roth and Romeo (1992). Product evaluation:	Confirmatory factor analysis in LISREl	The two studiessuggest on the one hand that consumers give less weight to negative COO in the presence of strongly positive trusting beliefs, and

									Gurhan-Canli and Maheswaran (2000). CETSCALE: Shimp and Sharma (1987)		on the other hand that the effects of specific beliefs depend on the level of perceived manufacturer risk. Overall COO affects product evaluation and purchase intention.
2011	Sharma	The study tests the differences in COO effects between consumers in developed and emerging markets. Furthermore it investigates the role of CE in COO effects for consumers from emerging markets and tests the COO effects on emerging-market consumers for products from other emerging markets. Finally, it investigates the impact of COO on purchase behaviour in developed and emerging markets; and the impact of materialism (MAT), consumer animosity (ANI) and value consciousness (VC) on COO effects.	Cars	UK, USA, China and India	Fictitious car brand: Alco	UK, US, Chinese, and Indian employees of a large multinational firm.	1752	Survey	Consumer ethnocentrism (Shimp and Sharma, 1987), Materialism (Richins, 2004), Consumer Animosity (Klein, 2002), and value consciousness (Lichtenstein, Netemeyer and Burton, 1990)	Confirmatory factor analysis, regression and multinomial logistic regression	All consumers from the four countries prefer products imported from developed markets rather than emerging markets.. Furthermore for developed-market consumers, ethnocentrism does not interact with COO and has a weak negative effect on the consumers' product evaluation and behavioural intentions for imported products. CE on its own has a weak negative effect on product evaluation and no significant effect on behavioural intentions. MAT has a direct positive influence on product evaluation and behavioural intentions for imported products, whereas VC has a significant positive effect on behavioural intentions. There is also a significant three-way interaction for MAT and VC with COO and home country.
2011	Souiden, Pons and Mayrand	The paper investigates the impact of country image and COO image on consumers' uncertainty, aspiration and purchasing intention of high-tech products.	Mobile phones	Canada and China	Blackberry	Chinese adults	479	Survey	Country image scale: Laroche *et al.* (2005) and Martin and Eroglu (1993). Canada's image as a manufacturer of high technology products: Ha¨ubl (1996), Darling	SEM in AMOS	Country image is a more effective tool than COO image, in reducing consumers' uncertainty and increasing their aspiration to purchase high technology products. On the other side COO image plays a big role in influencing the product image.

									and Wood (1990), and Laroche *et al.* (2005). Product image: Cervin˜o *et al.* (2005), Laroche *et al.* (2005), Lee and Ganesh (1999), and Yong (1996). Consumers' risk perception: Dholakia (2001).Consumers ' risk purchase oftechnological products: Ahmed *et al.* (2005). Consumers' aspiration: inspired from Klein *et al.* (1998), and Chinen *et al.* (2000). Consumers' purchase intentions: Laroche *et al.* (2005) and Papadopoulos and Heslop (1993).		
2011	Sanyal and Datta	The study explores the impact of COO image on brand equity .	Generic drugs	India	N/A	Indian practicing physicians	200	Survey	COO image, brand strength, brand awareness, brand equity.	Regression	The Indian physicians have an inclination towards the country of origin of a particular brand and this is also reflected in their prescriptions. Results show that brand equity of the pharmaceutical products is composed of brand strength and brand awareness which lead to a strong formation of COO image.

2011	Ahmed, d'Astous and Petersen	The aim is firstly to provide some Canadian evidence into how consumers perceive bi-national products, secondly to use a three-dimensional COO formulation; thirdly to measure the impact of COM, COA and COP, and finally to incorporate the concepts of product-country fit and brand-country fit using the cognitive consistency conceptual framework.	Jeans, computers, butter biscuits and designer bed lamps	Denmark and Canada	N/A (2 brand names – one congruent with Denmark and one non congruent with Denmark)	Canadian students	187	Survey	The evaluation of Denmark and Canada both as COD and COA was done using a nine-point bipolar scale (very poor excellent) and for familiarity with their technologically complex (very unfamiliar/ very familiar)	ANOVA	Product country congruency has a greater impact on consumer evaluations than COO.
2011	Diamantopoulus, Schlegelmilch, and Palihawadana	The aim of this study is to test whether COO is still a salient cue in the consumers' decision making process and testing alternative models linking CI, PCATI, brand image, and purchase intentions.	Refrigerators	USA and China	Whirlpool and Haier	UK adults	339	Survey	Country image scale, Product category image, brand image and purchase intentions	Common method variance	The findings reveal that COO – as reflected both in CI and PCATI perceptions – does not directly impact consumers' intentions to buy the focal brand, the COO construct has an important indirect influence. Specifically, CI and PCATI strongly influence purchase intentions through their impact on brand image
2011	Magnusson, Westjohn and Zdrakovic	The purpose of this study is to test whether COO effects matter on the individual brand origin perception	LCD TVs, automobiles and fashion brands	Multi-country brand origin	Multiple brands	US adults	544	Survey	Brand attitude, PCI of perceived COO, Brand origin perception, Change in brand attitude	Hierarchical linear model	The product country image of the consumer's perceived brand origin strongly affects brand attitudes, and the true COO of a brand can contribute to changes in brand attitudes.
2012	Parkvithee and Miranda	The study examines the effect of COO, brand equity and purchase involvement on consumers' evaluation of Thai fashion apparel.	T-shirts and suits	Japan and Vietnam	Greyhound and A2Z	Thai adults	100	Survey	Perceived product quality: Ahmed and d'Astous (2004), Ashill and Sinha (2004), Insch and	MANOVA and t-tests	If low purchase involvement apparel (i.e. t-shirts) with high brand equity is sourced from a country of origin of low perceived competence, the superior reputation of the brand encourages consumer partiality to the apparel's

									McBride (2004)		quality and purchase inclination. A brand of modest equity manufactured in an under-developed economy is capable of gaining greater consumer support for its higher-end fashion products than for its standard apparel.
2012	Bruwer and Buller	The aim is to investigate the COO effect of the Japanese consumers concerning wine brands.	Wine	France, Italy, Australia,Spain, Chile, USA, Argentina and Germany	Top 8 selling brands in Japan	Japanese adults	173	Survey	10-item objective wine knowledge scale	ANOVA	The top five cues ranked by the Japanese consumers were taste, style, colour, price and recommendations from friends and family ranking, while COO was not of statistical significance and did not rank higher than seventh. The study also shows that consumers with higher levels of objective knowledge do not use the COO cue more than consumers with lower levels of knowledge. Finally, female consumers were found to be the main wine purchase decision-makers
2012	Moradi and Zarei	The purpose is to explore the effects of country of brand (COB) and country of manufacture (COM)) on brand equity formation.	Laptops and mobile phones	Japan, USA, Finland and China, Malaysia	Dell and Sony – Nokia and Sony Ericsson	Iranian students	602	Survey	Brand equity dimension scale (Aaker, 1996), brand loyalty (Yoo and Donthum, 2001, and one item from Tong and Hawley, 2009) and overall brand quality (Yoo *et al.*, 2000 and one item by Netemeyer *et al.*, 2004).and COO image scale (Roth and Romeo, 1992). Brand awareness (Yoo and Donthum, 2001), brand association, (Washburn and Plank, 2002, Tong and Hawley, 2009, Lee and Back, 2010). Overall	SEM in LISREL	Three factors: brand loyalty, perceived quality and brand association/awareness were introduced as brand equity dimensions and they have significant effects on brand equity. Brand country image has a positive and significant impact on consumers' perceived quality and brand awareness/association. Lastly, consumers think that the products made in industrial countries with lots of experience denote a higher quality compared to other countries which have little experience or which have just joined the industrialised countries.

									brand equity (Yoo and Donthum, 2001). Product involvement (Zaichkowsky, 1994).		
2012	Chen and Su	The paper examines the effects of country-of-manufacture (COM) and country of design (COD) on industrial brand equity, when consumers are confronted with a single cue and multiple cues framework.	Fastener industry (screws for construction purposes)	Taiwan	N/A	Senior managers and international trade representative from North America, Europe, Oceania and Asia	102	Interview	COD and COM scale: Riel *et al.*(2005) combined with Aaker (1996), Michell *et al.*(2001), Davis *et al.*(2008), and Pisharodi and Parameswaran's (1992).	SEM in LISREL	COM and COD are used in judgments of industrial brand equity in single-cue studies when the conditions under which they are operative have not yet been fully delineated, and these effects become insignificant to industrial buyers' evaluations of brand equity in multiple-cue studies when the conditions involve other antecedents of brand equity. Thus there is a significant relationship between COM and IBE and between COD and IBE in the single cue model, but no support for a significant relationship between the same variables the multiple-cues model.
2012	Jimenez and Martin	The purpose of this study is firstly to differentiate between cognitive and affective components of the COO, and secondly to analyse the mediating role of trust in the relationships between a firm's reputation and COO, purchase intention and consumer animosity.	Cars	Korea	Hyundai, Daewoo, Cherry	Mexican adults	274	Survey	Reputation of firms from the COO (Doney and Cannon (1997) and Kang and Yang (2011); Trust (Ganesan (1994) and Doney and Cannon (1997); animosity (Klein *et al.* (1998); Ettenson and Klein (2005) and Hoffman *et al.* (2011); consumer purchase intention scale (Grewal, Gotlieb and Marmorstein. (1998) and Ettenson and Klein (2005)).	Confirmatory factor analysis	The study suggests that animosity towards a country can reduce trust towards that country's firms and products. Trust emerges as a stimulating factor in the purchase behaviour of products from emerging markets.

2013	Miranda and Parkvithee	The study examines the evaluation and purchase intention of the middle class and working class consumers in Thailand concerning Thai branded high- and low-fashion apparel made in three Asian countries representing different manufacturing competences.	Fashion apparel	Japan, Malaysia and Vietnam	Greyhound and A2Z	Thai adults	480	Survey with 12 scenarios (interaction between purchase involvement, brand equity and the competence status of the COO)	Evaluation of apparel products: Ahmed and d'Astous (2004), Ashill and Sinha (2004), Insch and McBride (2004)	MANOVA	When considering purchase of reputed brands of standard products, working class consumers are particularly concerned about the item's COO. On the other hand middle class apprehensions of multi-featured products' COO run across both high and low equity brands.
2013	Sinrungtam	The study investigates the effects of the COO dimensions on product quality assessments, perceptions of product value, and purchase intentions	Eco-cars	USA, Japan, Mexico and Malaysia	Fake brand name	Thai adults	500	Survey	Scale by Dodds, Monroe, and Grewal (1991).	SEM	The findings revealed that country of corporate ownership (COC), country of manufacture (COM), country of parts (COP), and Country of brand (COB) had a positive effect on product quality assessment of eco cars and product quality assessment also presented an effect on the consumers' purchase intention. COP and COM showed a positive effect on purchase intention. Furthermore, COA and COD did not present an effect on product quality assessment, perception of product value, and purchase intention of eco cars.

Appendices for Chapter 3

3.1 Variables and Source of Items (Paper II)

3.2 Variables and Source of Items (Papers III and IV)

3.3 Design of the two Questionnaires

3.4 Codebook for Paper II

3.5 Codebook for Papers III and IV

Appendix 3.1 Variables and Source of Items (Questionnaire 1)

Variable	Types of Variables		Items used	Source of questionnaire items
Assessment of the product	Dependent	Opinion	1. Bad/Good 2. Nice/Awful 3. Desirable/undesirable 4. Inferior/Superior 5. Pleasant/Unpleasant	Self-generated items based on Laroche *et al.* (2005)
Value perception of the product	Dependent	Opinion	6. Underpriced/overpriced 7. Unfavourably priced compared to the Acer/Apple/Dell/Compaq brand with similar features and package/ Favourably priced compared to the Acer/Apple/Dell/Compaq brand with similar features and package	Self-generated items
Brand perception	Dependent	Opinion	8. Bad/Good 9. Satisfactory/unsatisfactory 10. Favourable/Unfavourable	Self-generated items based on Nebenzahl and Jaffe (1996), Yoo *et al.* (2000).
Willingness to buy	Dependent	Behavioural	11. Not willing at all/very willing	Self-generated item
COO	Dependent	Opinion	12. What was the country of assembly for the system advertised? 13. What was the country of design for the system advertised? 14. What was the country of parts for the system advertised?	Self-generated items
Demographic Characteristics	Independent Attribute		15. Age 16. Gender 17. Field of Study 18. Monthly Income	Self-generated items

Appendix 3.2 Variables and Source of Items (Questionnaire 2)

Variable	Types of Variables		Items used	Source of questionnaire items
Brand perception	Dependent	Opinion/ Behavioural	1. Foreign brands are good quality 2. Unknown brands are poor quality 3. I usually buy the bestselling brands 4. Romanian brands appeal to my patrioticfeelings 5. I prefer buying well-known brands 6. Brands influence my choice of purchase 7. If I had the choice, I would only buy Romanian brands 8. Brands make it easier to choose the product	Self-generated items based on Nebenzahl and Jaffe (1996), Yoo *et al.* (2000).
Product specific questions (TUBORG)	Independent	Opinion/ Behavioural	9. Do you drink beer? 10. When it comes to beer brands are you a loyal customer for the products you buy? 11. Do you prefer Romanian or foreign beer brands? 12. What do you look for when buying a beer? 13. Are you familiar with the brand Tuborg? 14. I trust the quality of the products of this brand 15. I think that this brand is always looking to improve its products to better satisfy consumer needs. 16. I prefer this brand over other brands in the same product category	Self-generated items
COO effect	Dependent	Opinion	17. From which country do you believe the brand Tuborg originates? 18. If you were informed that the beer brand Tuborg was from Denmark, how would this information affect your opinion of the brand?	Self-generated items based on Pisharodi and Parameswaran (1992)
Ideology	Dependent	Opinion	19. Government regulations are needed to control monopolies. 20. A free market economy (no business regulations) is the best way to ensure prosperity and fulfillment of individual needs. 21. People are basically good but they can be corrupted.	Self-generated items based on Berry *et al.* (1998)

			22. The free market economy is exploitive and unfair towards the working class 23. The products offered in the communist regime were better than the ones offered nowadays in terms of quality and taste.	
Consumer Ethnocentrism	Dependent	Opinion	24. Romanian people should always buy Romanian-made products instead of imports. 25. Only those products that are unavailable in Romania should be imported. 26. Buy Romanian-made products. Keep Romania working. 27. Romanian products, first, last and foremost. 28. Purchasing foreign made products is un-Romanian. 29. It is not right to purchase foreign products, because it puts Romanians out of work. 30. A real Romanian should always buy Romanian-made products. 31. We should purchase products manufactured in Romania instead of letting other countries get rich by us. 32. It is always best to purchase Romanian products. 33. There should be very little trading or purchasing of goods from other countries unless out of necessity. 34. Romanian people should not buy foreign products, because this hurts Romanian business and causes unemployment 35. Restrictions should be put on all imports 36. It may cost me in the long run but I prefer to support Romanian products. 37. Foreigners should not be allowed to put their products on our markets. 38. Foreign products should be taxed heavily to reduce their entry into Romania. 39. We should buy from foreign countries only those products that we cannot obtain within our own country. 40. Romanian consumers who purchase products made in other countries are responsible for putting their fellow Romanians out of work	CETSCALE by Shimp and Sharma (1987)
Demographic	Independent	Attribute	41. Gender	Self-generated items

measurements	42. Age 43. Marital Status 44. Education 45. Occupation 46. Income 47. Number of people in household 48. Children 49. Religion 50. Political orientation

Appendix 3.3 Design of the two Questionnaires

Questionnaire 1 for Paper II

The aim of the questionnaire was to test whether the country-of-origin sub-components (country of design, country of assembly, and country of parts) of a product with Western and non-Western countriesoforigin is important in the evaluation of an unknown brand.

The questionnaire encompassed five designed groups for the following levels of COO sub-components: the Country of Design (COD), which is represented by India, USA and Denmark, the Country of Assembly (COA), which is represented by India and Denmark while the Country of Parts (COP), in all five cases, was represented by USA. Specifically, for the first design, both COD and COA are represented by India (this group is named COO1); for the second design, COD is Denmark and COA is India (COO2); the third design represents India as COD and USA as COA (COO3); the fourth design represents both COD and COA as Denmark (COO4), and finally the last design shows USA as COD and Denmark as COA (COO5). In addition to the survey items covering overall brand perception and product assessment, some socioeconomic and demographic information like gender, age, field of study and income were collected. A fictitious computer brand namewas selected (Apollo) to minimize response biases which can result from using a well-established computer brand.A picture of the product together with a list of PC features, software packages (see Appendix 3.5) and a price of DKK 6495 (USD 1070) were included in the ad. The price was chosen to parallel realistic prices for PCs with similar features and software packages at the time of the study.

Questionnaire 2 for Papers III and IV

The questionnaire was used for two articles. The aim was firstly to examine the impact of the country-of-origin and consumer ethnocentrism of a low involvement product on consumer brand perception and purchase behaviour in an emerging market setting of Central and Eastern Europe; and secondly, to test the relationship between ideological orientation, consumer ethnocentrism, brand perception, and demographic factors in Romania.

The questionnaire consisted of a 31-item scale, scored on a 5-point Likert-type scale ranging from “strongly disagree” to “strongly agree”. Of these items, 9 related to general brand perception, 6 related to brand and product-specific questions (Tuborg beer), 5 were related to ideological orientation, and 17 to consumer ethnocentrism. Furthermore the questionnaire contained 9 questions to measure the demographic characteristics of the respondents.

Appendix 3.4 Codebook for Questionnaire 1

CODEBOOK

Grouping (sections)	Variables	Responses	Code
Product assessment	Bad/Good (1A) Nice/Awful (1B) Desirable/undesirable (1C) Inferior/Superior(1D) Pleasant/Unpleasant (1E)	Likert scale	1 to 7
Value perception of the product	Poor value for the price/ good value for the price (2A) Underpriced/overpriced (2B) Unfavourably priced compared to the Acer/Apple/Dell/Compaq brand with similar features and package/ Favourably priced compared to the Acer/Apple/Dell/Compaq brand with similar features and package (2C, 2D, 2E, 2F)	Likert scale	1 to 7
Brand perception	Bad/Good (3A) Satisfactory/unsatisfactory (3B) Favourable/Unfavourable (3C)	Likert scale	1 to 7
Willingness to buy	Not willing at all/very willing (3D)	Likert scale	1 to 7
Willingness to pay	0- 7000 DKK (3 E)	0 4495 5000 5495 6000 6495 7000	1 2 3 4 5 6 7
COO	Country of assembly for the system advertised (COO1) Country of design for the system advertised (COO2) Country of parts for the system advertised (COO3)	Likert scale	1 to 7

Demographic Characteristics	Age (AGE)	18-21	1
		22-25 ❑	2
		26 and above	3
	Gender (GENDER)	Female	0
		Male	1
	Field of Study (STUDYFIELD)	Humanities	1
		Social Sciences	2
		Engineering	3
	Monthly Income (INCOME)	Below 4500 DKK	1
		4500 - 6500	2
		7000 DKK and above	3

Appendix 3.5 Codebook for Questionnaire 2

CODEBOOK

Grouping (sections)	Variables	Responses	Code
Demographic Measurements	Gender (GENDER)	Female	0
		Male	1
	Age (AGE)	25 years and below	1
		26-45	2
		46-65	3
		over 65	4
	Marital Status (MARITSTAT)	Single	1
		Married	2
		Divorced	3
		Widowed	4
	Education (EDUC)	Primary	1
		Secondary	2
		University	3
		Post University	4
	Occupation (OCCUP)	Employer	1
		Manager/Director	2
		Employed with higher education	3
		Student	4
		Unemployed	5
		Retired	6
		Other (Regularly employed)	7
	Income (INCOME)	1000 Lei	1
		1001 – 1500 Lei	2
		1501 – 2000 Lei	3
		2001 – 2500 Lei	4
		2501 – 3000 Lei	5
		Above 3001 Lei	6
		No income	7
	Number of people in household (NumHOUSEHOLD)		Coded as a number
	Children (CHILDREN)		Coded as a number
	Religion (RELIGION)	Orthodox	1
		Catholic	2

		Other	3
	Political orientation (POLIT)	Right (Liberals)	1
		Left (Socialists)	2
		Centre right (Democrats-Liberals)	3
		Centre left (Conservative)	4
		I prefer not to respond	5
		Other	6
Brand perception (BP)	BP1 to BP9	Strongly Disagree	1
		Disagree	2
		Neither Agree Nor Disagree	3
		Agree	4
		Strongly Agree	5
Product specific questions (TUBORG)	TUB1	Yes, frequently	1
		Yes, occasionally	2
		No	3
	TUB2	Always	1
	TUB2	Sometimes	2
		Never	3
	TUB3	Romanian	1
		Foreign	2
		Both	3
	TUB4	Taste	1
		Price	2
		Countryoforigin	3
		Familiar brand name	4
	TUB5	Belgium	1
		Denmark	2
		Germany	3
		Sweden	4
		Czech Republic	5
		Other	6
	TUB6 –TUB8	Strongly Disagree	1
		Disagree	2
		Neither Agree Nor Disagree	3

		Agree	4
		Strongly Agree	5
	TUB9	Positive effect	1
		Negative effect	2
		No effect	3
Ideology	IDEOL1 – IDEOL5	Strongly Disagree	1
		Disagree	2
		Neither Agree Nor Disagree	3
		Agree	4
		Strongly Agree	5
Consumer Ethnocentrism	CE1-CE17	Strongly Disagree	1
		Disagree	2
		Neither Agree Nor Disagree	3
		Agree	4
		Strongly Agree	5

Appendices for Chapter 4

4.1 Questionnaire Paper II

4.2 Laptop ads for Paper II

Appendix 4.1 Questionnaire 1 for Paper II

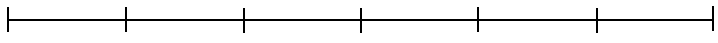
Questionnaire

This is an academic study with the purpose of investigating the evaluation of an advertisement for a laptop. Please be confident that all of your answers will be treated in the strictest confidence and used only for academic purposes.

Thank you for your participation!

1. **Please circle the number on each of the following scales which you feel reflects your assessment of the product.**

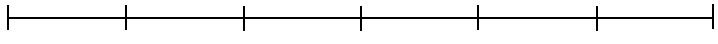
A.



1 2 3 4 5 6 7

Bad Good

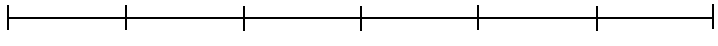
B.



1 2 3 4 5 6 7

Nice Awful

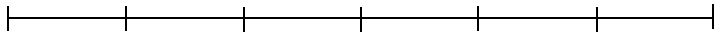
C.



1 2 3 4 5 6 7

Desirable Undesirable

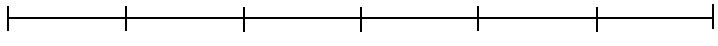
D.



1 2 3 4 5 6 7

Inferior Superior

E.

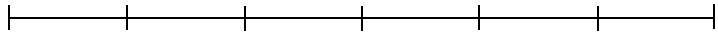


1 2 3 4 5 6 7

Pleasant Unpleasant

2. Rate your valueperception of this product based on the total package provided, on the following scale.

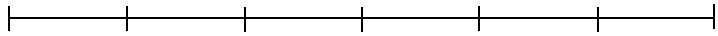
A.



1 2 3 4 5 6 7

Poor value for the price — Good value for the price

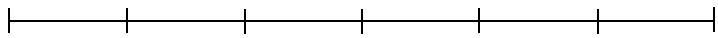
B.



1 2 3 4 5 6 7

Underpriced — Overpriced

C.

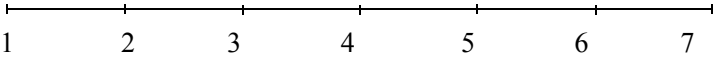


1 2 3 4 5 6 7

Unfavourably priced compared to the Acer brand with similar features and package

Favourably priced compared to the Acer brand with similar features and package

D.

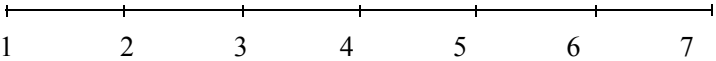


1 2 3 4 5 6 7

Unfavourably priced compared to the Apple brand with similar features and package

Favourably priced compared to the Apple brand with similar features and package

E.

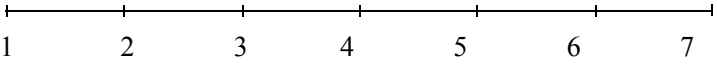


1 2 3 4 5 6 7

Unfavourably priced compared to the Compaq brand with similar features and package

Favourably priced compared to the Compaq brand with similar features and package

F.

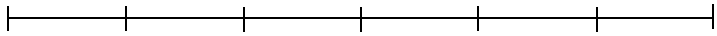


Unfavourably priced compared to the Dell brand with similar features and package

Favourably priced compared to the Dell brand with similar features and package

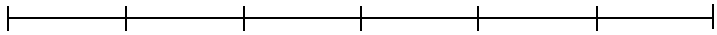
3. Rate your overall feeling about this brand on the scales below:

A.



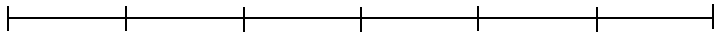
Bad Good

B.



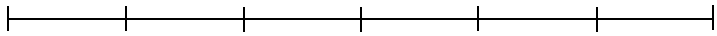
Unsatisfactory Satisfactory

C.



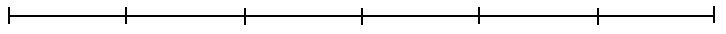
Unfavourable Favourable

D. How willing would you be to buy this product?



Not willing at all Very willing

E. Given your income and knowledge of other brands how much are you willing to pay for this product?



4. Please indicate your age by ticking the appropriate box:

18-21❑ 22-25❑ 26+❑

5. **Please indicate your Gender:**

   F❑ M ❑

6. **Please indicate your field of studies at AalborgUniversity:**

Humanities ❑ Social Sciences ❑ Medicine ❑ Engineering ❑

7. **Please indicate your field of studies at Aalborg University (PhD/MSc/BSc)**

   _____

8. **Please indicate the value closest to your income/ month after tax (in DKK), by circling the most appropriate number:**

$\leq$ 3500	**4500**	**5000**	**5500**	**6000**	**6500**	**7000**

Please return the image with the laptop before proceeding with the next part.

9. **Please provide a tick to indicate what you recall about the information provided about this product:**
   If you cannot remember, then please take a guess,giving reasons for your answer

   A. What was the country of assembly for the system advertised?
   United States_____
   Denmark_____
   India _____
   Romania _____
   Other (mention) _____

   B. What was the country of design for the system advertised?
   Denmark _____
   China _____
   United States_____
   India _____
   Other (mention) _____

   C. What country did the parts come from for the system advertised?
   Denmark_____
   India _____
   U.S.A _____
   China _____
   Other (mention) _____

Appendix 4.2 Laptop ads for Paper II

1. APOLLO

6495 Kr

The all new laptop within your budget!

15.6" Widescreen

4GB Ram

500GB HDD

intel inside CORE i5

Windows 7

Product description:

- **Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)**
- **System Memory 4GB (DDR3 / 2GB x 2)**
- **HDD 500GB (5, 400rpm S-ATA)**
- **15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss**
- **Graphic Processor nVidia GeForce GT 330M**
- **Audio Intel High Definition Sound**
- **Speaker 4W Stereo Speaker (2W x 2)**
- **Integrated Camera 1.3MP**
- **Wireless LAN 802.11bg/n* Compliant**
- **DVD±RW (±R DL) / DVD-RAM**
- **HDMI port**
- **Weight 2.80kg**

This product has been:

Assembled in India

Designed in India

with

Parts from the U.S.A.

2. APOLLO

6495 Kr

The all new laptop within your budget!

15.6" Widescreen

4GB Ram

500GB HDD

intel inside CORE i5

Windows 7

Product description:

- **Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)**
- **System Memory 4GB (DDR3 / 2GB x 2)**
- **HDD 500GB (5, 400rpm S-ATA)**
- **15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss**
- **Graphic Processor nVidia GeForce GT 330M**
- **Audio Intel High Definition Sound**
- **Speaker 4W Stereo Speaker (2W x 2)**
- **Integrated Camera 1.3MP**
- **Wireless LAN 802.11bg/n* Compliant**
- **DVD±RW (±R DL) / DVD-RAM**
- **HDMI port**
- **Weight 2.80kg**

This product has been:

Designed in U.S.A

Assembled in Denmark

with

Parts from the U.S.A.

3. APOLLO

6495 Kr

The all new laptop within your budget!

15.6" Widescreen

4GB Ram

500GB HDD

intel inside CORE i5

Windows 7

Product description:

- **Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)**
- **System Memory 4GB (DDR3 / 2GB x 2)**
- **HDD 500GB (5, 400rpm S-ATA)**
- **15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss**
- **Graphic Processor nVidia GeForce GT 330M**
- **Audio Intel High Definition Sound**
- **Speaker 4W Stereo Speaker (2W x 2)**
- **Integrated Camera 1.3MP**
- **Wireless LAN 802.11bg/n* Compliant**
- **DVD±RW (±R DL) / DVD-RAM**
- **HDMI port**
- **Weight 2.80kg**

This product has been:

Assembled in Denmark

Designed in India

with

Parts from the U.S.A.

4. APOLLO

6495 Kr

The all new laptop within your budget!

15.6" Widescreen

4GB Ram

500GB HDD

intel inside CORE i5

Windows 7

Product description:

- **Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)**
- **System Memory 4GB (DDR3 / 2GB x 2)**
- **HDD 500GB (5, 400rpm S-ATA)**
- **15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss**
- **Graphic Processor nVidia GeForce GT 330M**
- **Audio Intel High Definition Sound**
- **Speaker 4W Stereo Speaker (2W x 2)**
- **Integrated Camera 1.3MP**
- **Wireless LAN 802.11bg/n* Compliant**
- **DVD±RW (±R DL) / DVD-RAM**
- **HDMI port**
- **Weight 2.80kg**

This product has been:

Designed in India

Assembled in India

with

Parts from the U.S.A.

5. APOLLO

6495 Kr

The all new laptop within your budget!

15.6" Widescreen

4GB Ram

500GB HDD

intel inside CORE i5

Windows 7

Product description:

- **Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)**
- **System Memory 4GB (DDR3 / 2GB x 2)**
- **HDD 500GB (5, 400rpm S-ATA)**
- **15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss**
- **Graphic Processor nVidia GeForce GT 330M**
- **Audio Intel High Definition Sound**
- **Speaker 4W Stereo Speaker (2W x 2)**
- **Integrated Camera 1.3MP**
- **Wireless LAN 802.11bg/n* Compliant**
- **DVD±RW (±R DL) / DVD-RAM**
- **HDMI port**
- **Weight 2.80kg**

This product has been:

Designed in Denmark

Assembled in Denmark

with

Parts from the U.S.A.

Appendix for Chapters 5 and 6

5.1 Questionnaire for Papers III and IV

Appendix 5.1 Questionnaire 2 for Papers III and IV

Questionnaire

This is an academic study with the purpose of investigating the Brand Perception, Ideology and Consumer Ethnocentrism in Post-Communist Romania. Please be confident that all of your answers will be treated in strict confidence and used only for academic purposes.

Thank you for your participation!

Section1 **Demographic Measurements**

In this section please answer the following questions about yourself by ticking the appropriate box or filling in the blanks.

1. **Gender** F ❑ M ❑

2. **Age**
25 years and below ❑ 26-45 ❑ 46-65 ❑ Over 65 ❑

3. **Marital Status**
Single ❑ Married ❑ Divorced ❑ Widowed ❑

4. **Education level**
Primary (1-8) ❑Secondary (high school)❑ University❑ Post University❑

5. **Occupation**
Employer ❑ Manager/Director ❑ Employed ❑ Unemployed ❑
Retired ❑ Student ❑

6. **Monthly Income**
No income ❑ Below1000 Lei ❑ 1001 – 1500 Lei ❑ 1501 – 2000 Lei ❑
2001 – 2500 Lei ❑ 2501 – 3000 Lei ❑ Above 3001 Lei ❑

7. **Number of people in the household _____, of which are children under 18 _____.**

8. **Religion**
Orthodox ❑ Catholic ❑ Other _____

9. **Political orientation**
Right ❑ Left ❑ Centre right ❑ Centre left ❑
Not interested in politics❑ Other_____

Section 2 **Brand perception**

Below are some statements about **brand perception**. For each statement you have the freedom to choose to what extent you agree or disagree with these statements. Please select the answer that corresponds the most to your opinion, by circling a number.

	Strongly Disagree	**Disagree**	**Neither Agree Nor Disagree**	**Agree**	**Strongly Agree**
1. Well-known brands are good quality	1	2	3	4	5
2. Foreign brands are good quality	1	2	3	4	5
3. Unknown brands are poor quality	1	2	3	4	5
4. I usually buy the bestselling brands	1	2	3	4	5
5. Romanian brands appeal to my patrioticfeelings	1	2	3	4	5
6. I prefer buying well-known brands	1	2	3	4	5
7. Brands influence my choice of purchase	1	2	3	4	5
8. If I had the choice, I would only buy Romanian brands	1	2	3	4	5
9. Brands make it easier to choose the product	1	2	3	4	5

Section 3 **Product specific questions**

Please answer the following questions about the brand Tuborg by selecting the most appropriate answer

1. **Do you drink beer?**
   Yes, frequently ❑ Yes, occasionally ❑ No ❑ (Please go to section IV)

2. **When it comes to beer brands are you a loyal customer for the products you buy?**
   Always❑ Sometimes ❑ Never ❑

3. **Do you prefer Romanian or foreign beer brands?**
   Romanian ❑ Foreign ❑ Both ❑

4. **What do you look for when buying a beer?**
   Taste ❑ Price ❑ Country of origin❑ Familiar brand name❑

5. **Are you familiar with the brand Tuborg?**
   Yes ❑ No ❑

6. **Which country do you believe the brand Tuborg comes from?**
   Belgium ❑ Denmark ❑ Germany❑ Sweden ❑
   Czech Republic❑ Other (state)_____

Below there are some statements about the **brand Tuborg**. For each statement you have the freedom to choose to what extent you agree with these statements. Please select the answer that corresponds the most to your opinion, by circling a number.

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
7. I trust the quality of the products of this brand	1	2	3	4	5
8. I think that this brand is always looking to improve its products to better satisfy the consumer needs.	1	2	3	4	5
9. I prefer this brand over other brands in the same product category	1	2	3	4	5

10. If you were informed that the beer brand Tuborg was from Denmark, how would this information affect your opinion of the brand?
Positive effect ❑ No effect ❑ Negative effect❑

Section 4 **Ideology and Consumer Ethnocentrism**

Below are some statements about **ideology and consumer ethnocentrism**. For each statement, you have the freedom to choose to what extent you agree or disagree with these statements. Please select the answer that corresponds the most to your opinion, by circling a number.

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
1. Government regulations are needed to control monopolies.	1	2	3	4	5
2. A free market economy (no business regulations) is the best way to ensure prosperity and fulfillment of individual needs.	1	2	3	4	5
3. People are basically good but they can be corrupted.	1	2	3	4	5
4. The free market economy is exploitive and unfair towards the working class	1	2	3	4	5
5. The products offered in the communist regime were better than the ones offered nowadays in terms of quality and taste.	1	2	3	4	5
6. Romanian people should always buy	1	2	3	4	5

	Romanian- made products instead of imports.					
7.	Only those products that are unavailable in Romania should be imported.	1	2	3	4	5
8.	Buy Romanian-made products. Keep Romania working.	1	2	3	4	5
9.	Romanian products, first, last and foremost.	1	2	3	4	5
10.	Purchasing foreign made products is un-Romanian.	1	2	3	4	5
11.	It is not right to purchase foreign products, because it puts Romanians out of work.	1	2	3	4	5
12.	A real Romanian should always buy Romanian-made products.	1	2	3	4	5
13.	We should purchase products manufactured in Romania instead of letting other countries get rich by us.	1	2	3	4	5
14.	It is always best to purchase Romanian products.	1	2	3	4	5
15.	There should be very little trading or purchasing of goods from other countries unless out of necessity.	1	2	3	4	5
16.	Romanian people should not buy foreign products, because this hurts Romanian business and causes unemployment	1	2	3	4	5
17.	Restrictions should be put on all imports.	1	2	3	4	5
18.	It may cost me in the long run but I prefer to support Romanian products.	1	2	3	4	5
19.	Foreigners should not be allowed to put their products on our markets.	1	2	3	4	5
20.	Foreign products should be taxed heavily to reduce their entry into Romania.	1	2	3	4	5
21.	We should buy from foreign countries only those products that we cannot obtain within our own country.	1	2	3	4	5
22.	Romanian consumers who purchase products made in other countries are responsible for putting their fellow Romanians out of work	1	2	3	4	5

ISSN: 2246-1256
ISBN: 978-87-7112-238-1

AALBORG UNIVERSITY PRESS