

**Affective versus Cognitive Influences Upon Consumer  
Attitudes Towards Country of Origin**

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## **Abstract**

Much of the country-of-origin literature to date has taken the so-called 'cognitive approach', focusing predominately on how consumers' cognitions. That is, their conscious thoughts, knowledge, beliefs, associations and assumptions influence their attitudes towards countries and their evaluations of products originating from those countries.

Drawing upon psychological theory, our research conceptualised consumer attitudes towards country-of-origin as comprising both cognitive and affective components, which depending on the type of product and its' country of origin; have varying levels of influence upon how positively or negatively consumers' evaluate these products.

Empirical verification through exploratory factor analysis and regression analysis indicates support for this proposed cognitive-affective structure of the country-attitudes.

More specifically country related affect was found to have a more significant influence upon positive attitudes towards a hedonic product – wine, from countries that consumers rated highly on geographic and cultural attributes, such as natural beauty, cultural and historical richness and pleasant climate.

On the other hand, country related cognitions in the form of beliefs about a country's socioeconomic attributes – e.g. economically powerful, technologically advanced and having competent and educated workforces, were found to be significantly more influential than affect in consumers' evaluation of a utilitarian product – digital cameras.

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## TABLE OF CONTENTS

<b><u>Chapter 1 – Introduction</u></b>	<b>1</b>
1.1. COO research-its' rise fall and rise again	3
1.2. Country-of-origin research: problem statement	5
1.3. Research Questions	7
1.4. Theoretical relevance of the dissertation	9
1.5. Managerial relevance of the dissertation	9
1.6. Dissertation outline	10
<b><u>Chapter 2 – Literature Review</u></b>	
2.1. Country of origin-literature	13
2.1.1. Country of origin: denotational complexity	15
2.1.2. Evolution of country of origin into brand origin	17
2.1.3. Antecedents of country of origin effects	18
2.1.4. Country of origin mechanisms	20
2.1.5. Normative COO effects	21
2.2. Attitudes	27
2.2.1. Background and outline	27
2.2.2. Functions of attitudes	29
2.2.3. Defining the attitude concept	30
2.2.4. Attitude structure	31
2.2.4.1. Affect	31
2.2.4.2. Cognition	32
2.2.4.3. Relationships between affect and cognition	33
2.2.4.4. Attitude formation	33
2.2.4.5. Models of attitude formation	34
2.2.4.5.1. Dual processing models	34
2.2.4.5.2. Causal chain models	36
2.2.4.5.3. Hierarchy of effects models	40
2.2.4.6. The two component view	44
2.2.5. Conclusion	45

2.3 Hedonic and utilitarian consumption	48
2.4. COO & Attitude, Methods & Measurement	51
2.4.1. Variables	51
2.4.2. Measurement	51
2.4.3. Attitude scales	52
2.4.4. Osgood's semantic differential	53
2.4.5. Reliability & Validity	54
2.4.6. Country and product image disentanglement	57
2.4.7. Next Steps	62
<b><u>Chapter 3 - Conceptual framework</u></b>	<b>63</b>
3.1. The two-component model – country cognitions	64
3.2. Country affect	74
3.3. Conations	75
<b><u>Chapter 4 - Research questions and hypotheses</u></b>	<b>77</b>
4.1. Introduction	78
4.2. Research questions	78
4.3. Hypotheses	79
<b><u>Chapter 5 - Methodology</u></b>	<b>82</b>
5.1. Introduction	83
5.2. Pre-test	83
5.3. Method and sample	89
5.4. Questionnaire	90
5.4.1. Country cognitions	90
5.4.2. Country and people affect	93
5.4.3. Utilitarian product/country conations	97
5.4.4. Hedonic product/countryconations	98
5.4.5. Product/country knowledge	99
5.4.6. Respondent demographics	101

<b><u>Chapter 6 - Data analysis and results</u></b>	<b>102</b>
6.1. Data analysis framework	103
6.2. Descriptive statistics	104
6.3. Exploratory factor analysis	105
6.4. Scale testing	107
6.5. Reliability testing	111
6.6. Manipulation checks	112
6.7. Hypothesis testing	113
<b><u>Chapter 7 - Discussion</u></b>	<b>124</b>
7.1. Introduction	125
7.2. What about the internal structure of country attitudes?	125
7.3. How does this internal structure of country attitudes influence attitudes towards products?	128
7.4. Managerial Contributions	131
7.5. Theoretical Contributions	132
7.6. Limitations and Further Research	133
<b>Bibliography</b>	<b>135</b>
<b>Appendices</b>	
1. Questionnaire Information Sheet & Questionnaires	163

<b>Index of Figures</b>	<b>Page</b>
Figure 1: The Elaboration Likelihood Model	36
Figure 2: The Theory of Reasoned Action	38
Figure 3: The Theory of Planned Behaviour	39
Figure 4: Hierarchies of Effects	41
Figure 5: The Two Component View of Attitudes	45
Figure 6: The Two Component View	63
Figure 7: The Two Component View – Cognitive Focus	64
Figure 8: Components of Country Cognitions	65
Figure 9: Country Beliefs: Geo-Cultural and Socio-Economic	66
Figure 10: Cognitive Component of COO Attitudes	67
Figure 11: Socio-Economic and Geo-Cultural Country Beliefs	74
Figure 12: The Two Component View – Country Affect	77
Figure 13: Country Affect – Positive and Negative Emotions	78
Figure 14: Research Model	79
Figure 15: Research Model and Hypotheses	85
Figure 16: Ratings on Geo-Cultural and Socio-Economic Variables	88
Figure 17: Product Ratings on Hedonic and Utilitarian Dimensions	91
Figure 18: Conception of the Country Cognitions Component	95
Figure 19: Conception of the Country and People Affect Component	97
Figure 20: Conception of the Country Conations Component	97
Figure 21: Utilitarian Country Product Image and Conations Scale	98
Figure 22: Hedonic Country Conations Component	99
Figure 23: Hedonic Country Product Image and Conations Scale	99

<b>Index of Tables</b>	<b>Page</b>
Table 1: Examples of References to Country of Origin	14
Table 2: Country of Origin Taxonomy	16
Table 3: Descriptive Statistics of Test Countries	84
Table 4: Descriptive Statistics of Test Products	88
Table 5: Respondent's Gender	101
Table 6: Respondent's Age	101
Table 7: Country of Birth	102
Table 8: Types of Country Beliefs	104
Table 9: Scale Testing: Positive and Negative Affect	105
Table 10: Scale Testing: Digital Cameras	106
Table 11: Scale Testing: Wine	107
Table 12: Scale Testing: Conations	107
Table 13: Scale Testing: Purchase Intentions	108
Table 14: Reliability Testing of Scales	108
Table 15: T-Test Geo-Cultural Beliefs	109
Table 16: T-Test Socio-Economic Beliefs	109
Table 17: Regression French Wine and Japanese Wine	112
Table 18: Regression French Digital and Japanese Digital Cameras	114
Table 19: Relationship Between Positive Affect and Hedonic Products	115
Table 20: Relationship Between Negative Affect and Hedonic Products	116
Table 20: Relationship Between Affect and Utilitarian Products	117
Table 21: Affect, Socioeconomic Beliefs and Utilitarian Products	118
Table 22: Descriptive Statistics	121
Table 23: One Way ANOVA	121
Table 24: Post-Hoc Tests	121
Table 25: Descriptive Statistics	122
Table 26: One Way ANOVA	122
Table 27: Post-Hoc Tests	123

## **CHAPTER ONE INTRODUCTION**

Understanding how the attitudes consumers hold towards the country-of-origin (COO) of different product types, can influence their evaluation and purchase behaviour in relation to those same products; has been of great interest to marketers and academics since the 1960s (Schooler, 1965).

In the period since, a considerable body of research has shown that consumers utilise these COO attitudes as an information cue when evaluating products sourced from a country other than their own, even in the absence of detailed knowledge of these products. (Schooler, 1965; Roth & Romeo, 1992; Samli, 1995; Chinen et al., 2000; Ahmed & D'astous, 2001). Also, numerous studies have found the COO effect can play an important role in a consumer's decision whether to purchase a particular product or service. (Hsieh et al., 2004; Esch et al., 2006; Diamantopoulos et al., 2011). Therefore, a comprehensive understanding of the country-of-origin effect can significantly contribute to effective international product and services marketing outcomes.

A definition of country-of-origin (COO for this research is "...the country which a consumer associates a certain product or brand as being its source, regardless of where the product is produced". (Jaffe and Nebenzahl, 2006:29) In relation to attitude, we refer to the generally agreed definition; that attitude represents a summary evaluation of a psychological object captured in such attribute dimensions as good-bad, harmful, beneficial, pleasant-unpleasant, and likable-dislikeable (Ajzen & Fishbein 2000, Brendl & Higgins 1996, Eagly & Chaiken 1993, Petty et al. 1997; Tesser & Martin 1996).

Consumers are shown to associate product quality with the country of origin and depending on whether the country has favourable or unfavourable associations, consumers are likely to perceive the product quality as superior or inferior (Maheswaran, 1994). The use of country of origin as a decision rule has evolved based on multiple instances of superior or inferior performance history of the products associated with the country.

Over time, countries often develop strong equity in specific product categories such as France for wine, Japan for electronics and Switzerland for watches. This performance-based country of origin effect has been the dominant research theme in the academic domain (Verlegh & Steenkamp, 1999).

### **1.1 COO Research – Its’ Rise, Fall and Recent Renewed Interest**

While the literature on national stereotypes traces back to the 1930s (e.g., Katz and Braly, 1933), it was not until the early 1960s that the concept of country of origin (COO) gained the attention of marketing scholars. An early experiment conducted by Schooler (1965) who found that Guatemalan students rated products from El Salvador more poorly than those from their own country or Mexico. Schooler’s seminal study initiated an extensive stream of studies on so-called “COO effects”.

Early COO research focussed on proving the existence of COO effects. Most studies examined COO effects in single-cue settings – whereby respondents were only provided with the product’s origin upon which to base their judgement (i.e. other attributes such as price, warranty and design were missing). Such designs tended to overestimate the size of COO effects (Bilkey and Nes, 1982) and led some scholars to believe the relevance of COO research was artificial (Johansson, 1993). Bilkey and Nes (1982) called for more robust methodological approaches and initiated the second period of research where the COO effects were examined within multi-cue contexts, and a wider variety of analysis methods (e.g. structural equation modelling, conjoint analysis) were applied. Research in this second phase identified numerous moderating variables that could affect the size of COO effects, such as the type of product under investigation and the level of economic development of the sourcing country.

A key finding of COO research is that over time favourable or unfavourable country associations develop as a function of the performance history of the country’s products. These perceptions of superiority or inferiority are also transferred to new products that originate in that country.

In the 1980's and early 1990's, some researchers began to question the relevance of COO in global markets. Their argument being, a product may be designed in one country and manufactured in another while the firm producing the product is based in a third (Levitt, 1991, 1993). Theodore Levitt (1983), argued globalisation should stimulate companies "[...] to operate as if the world were one large market – ignoring superficial regional and national differences." (Levitt 1983: 92). In the 1990's growing agreement with this hypothesis resulted in a weakening of interest in COO research a time in which some scholars questioned the relevance of made-in labels (Johansson, 1993). However, in recent years, Levitt's point of view has been seriously criticised. Wind (1996) argues the concept of a "globally uniform consumer" is a myth. Considerable research has reinforced the assertion that consumer information processing, decision making and attitudinal dispositions cannot be reduced to a universally homogenous concept (Alden et al. 1999; Briley et al. 2000; Kale 1991; Nakata and Sivakumar 1996; Peñaloza and Gilly 2006; Steenkamp et al. 2009).

Moreover, recent meta-analyses of COO over the past fifty years appear to indicate the importance of COO in consumer product evaluation remains strong. Chen and He (2013) found given the broader choice of products and limited knowledge about the quality of the products, one of the essential sources of information in the global context remains the country of origin of the product.

Nonetheless, the globalisation of production presents new challenges to the study of country of origin effect. Historically, the COO of a product has been the country in which a product is manufactured. However, in the twenty-first century many products are hybrid products, with a different country of manufacture (COM), country of design (COD), country of brand (COB), or country of corporate headquarters (COH) (Chao 1993, Inch & McBride 1998) Recent COO research increasingly defines the COO as the country of association, COA of a product (e.g. Mercedes are German), because in the absence of an explicit knowledge of the COO of all the aspects of a product or brand (e.g. design, manufacture), consumers base their attitudes, evaluations, intention, and behaviours on the COO they believe that product or brand comes from. (Heslop et al., 2004).

Some scholars even suggest that instead of having an equalising effect, globalisation could further accentuate national differences. Usunier (2004) suggests that in our daily lives we are increasingly engaged in interactions with other countries. These interactions, whether they are of a personal, social or cultural nature, make people more aware of how countries differ.

Thus, increasingly cosmopolitan consumers may present an opportunity for firms to emphasise the aspects of "origin countries" that carry favourable connotations. A product or brand's hybrid origins may even be actively promoted. For example, Spanish automobile brand "Seat" highlights the Spanish "flair" of its design, but additionally highlights the 'dependability' of its' German engines. (Ritson, 2009).

COO images are fluid, and people's attitudes towards countries and the products they produce can change over time. For example, the rise of Japan and Korea in the 1970's and 1980's along with China's resurgence has translated into consumer' willingness to buy more complex products from these countries as their perception of the country's economic and technological development evolved. (e.g., Askegaard and Madsen 1998; Balestrini et al. 2003; Kale 1995; Leeflang and Van Raaij 1995; Steenkamp 1990).

Another recent development has been the broadening of the scope of COO research beyond the examination of COO effects on consumer evaluation of consumer products; to other domains such as the influence of 'place image' in attracting tourism, foreign investment and skilled immigration to a country (Kotler, 1993); the influence of COO effects on industrial marketing (e.g., Backhaus and Wilson 1986; Kim and Chung 1997; Porter 1990), services marketing (Ahmed et al. 2004; Bruning 1997; Kasper et al. 1999), organisational behaviour (e.g., Hofstede 1980; Kreitner et al. 1999) and advertising and promotions strategy (e.g., De Mooij 1999; De Pelsmacker et al. 2001; Moon 1996; Tan and Farley 1987; Usunier 2000).

A wide array of studies have shown the importance of the COO cues. (Baughn and Yaprak, 1993; Bilkey and Nes, 1982; Jaffe and Nebenzahl, 1993; Liefeld, 1993; Nebenzahl et al., 1997; Ozsomer and Cavusgil, 1991; Papadopoulos and Heslop, 1993; Peterson and Jolibert, 1995; Pharr, 2005; Phau and Prendergast, 2000; Usunier, 2006;

Verlegh and Steenkamp, 2003). Jaffe and Nebenzahl, (2009) for example, analysed 52 articles on COO-effects and found the COO effect size on quality/reliability perception was .30. Verlegh and Steenkamp (2003) in a meta-analysis of 41 COO studies concluded that “based on the average effect size of 0.39, the country-of-origin effect may be classified as a significant factor in product evaluations.” (Verlegh and Steenkamp 2003: 537-538).

On average then, it could be said that the COO cue remains an important factor that should be taken into account when studying how consumers receive products made abroad.

## **1.2 Country-of-Origin Research: Problem Statement**

Psychology has long identified and studied three components of mind: cognition, affect, and conation (Alford & Beck, 1998; Hilgard, 1980; Huitt, 1996; Tallon, 1997). This construct describes cognition as the meaning we attribute to information based on our knowledge, opinions and beliefs and affect as our emotional response (positive or negative) to this information. Finally, the conative component comprises action, i.e., the individual’s actual conduct or intention to act (purchase, visit, join) and recommend the product, service, destination to others (Bigné et al., 2001; Gartner, 1993; Konecnik & Gartner, 2007; Pike & Ryan, 2004; Tasci & Gartner, 2007; Tasci et al., 2007). Research in the fields of psychology and social psychology has repeatedly shown that cognition and affect act independently to influence conation.

Nevertheless, country of origin research has predominantly focused on consumers’ conscious thoughts, associations, cognitions and assumptions about places and the products originating from those places (Josiassen et al., 2013). This is sometimes termed the ‘cognitive approach’ (Emerson, 2010). While COO influences have been studied extensively for decades, only recently has the notion emerged that affect toward countries can influence the evaluation of products (Chen et al., 2014). Chen et al., (2014, p. 1034) further noted that ‘Interestingly, limited research has suggested the possibility that country of origin may have an affective meaning for consumers due to non-product-related exposure to the country that is unrelated to specific product related stereotypes.’

These product-unrelated associations have been variously termed country-related affect (CRA) or country-related normative (CRN) associations (Verlegh and Steenkamp 1999). Verlegh and Steenkamp (1999, 526) differentiate between these two types of product-unrelated associations and state that “affective associations are generated by direct or indirect exposure to country-related information, whereas normative associations are a function of long-standing cultural, political, and economic factors.” While the normative dimension of country of origin has been examined in the context of ethnocentrism and animosity effects (Klein, Ettenson, and Morris 1998), the affective dimension of country of origin has been largely unexplored.

Perhaps no other construct is more central to the basic foundations of the marketing discipline than consumer attitude. In an effort to identify a more productive understanding of consumer attitudes, researchers have examined their hedonic and utilitarian components based on the notion that consumption behaviours are driven by hedonic (or affective) gratification (e.g., sensations derived from the experience of using products) and utilitarian (or instrumental) motives (e.g., derived from functions performed by products). (Cf. Batra and Ahtola, 1990; Chen, C.Y., Mathur, P. and Maheswaran, D, 2014, Laroche et al., 2005, Roth and Diamantopoulos, 2009, Verlegh, 2001, Voss, Spangenberg, and Grohmann, 2003),

Measurement of these attitudinal dimensions has both theoretical and practical benefits. For example, researchers may develop models that are more powerful predictors of consumer behaviour, while managers will be able to test the effectiveness of experiential versus functional positioning strategies (Voss et al., 2003).

The present study will examine the relative salience of each of the consumer’s cognitive and affective responses when exposed to hedonic as compared to utilitarian product-country pairs.

We hypothesise that the attitude structure revealed for some product types (hedonic products for example food, fragrances, wine, tourism) may be affectively biased.

This study is an attempt to further explain the theoretical understanding of country images and their potential effects on the formation of consumers' attitudes towards foreign-sourced products.

### **1.3 Research Questions**

To better understand the components underpinning consumer attitudes to a product's COO, the following research questions are posed.

**RQ1:** Cognitive beliefs are typically discussed as the main source of COO attitudes but what are the relative effects the internal components of these beliefs, socio-economic and geo-cultural beliefs? Do socioeconomic beliefs matter more for utilitarian products than geo-cultural beliefs and vice versa for hedonic products?

**RQ2:** If as argued here, affect effects COO attitudes, then what are the relative effects of positive and negative affect?

**RQ3:** If we compare the relative effects of cognitive beliefs and affect - do socioeconomic beliefs matter more than affect for utilitarian products and affect more than geocultural beliefs for hedonic products?

**RQ4:** Overall how do beliefs about a country (cognition) and affect felt towards a country, influence attitudes to products from that country?

**RQ5:** Therefore, are attitudes toward utilitarian products manufactured in utilitarian countries stronger than utilitarian products manufactured in non-utilitarian countries and are attitudes toward hedonic products manufactured in hedonic countries stronger than utilitarian products manufactured in non-hedonic countries?

The study will uncover the internal structure of country-related attitudes. It will utilise established social psychological models of attitude structure as the theoretical underpinning with which to examine the structural components of COO attitudes. (Haubl; 1996). This research will treat the country of origin effect as a two-

dimensional construct composed of country-related attitudes whose structure comprises the independent influences of cognition and affect.

The relative effect of cognition and effect on hedonic versus utilitarian products will also be examined to determine whether there exists a hedonic/utilitarian – affect/cognition country product fit as hypothesised and indicated in several prior studies. Such a fit would add to the understanding of country product business and marketing strategy development for practitioners. Whether or not a country might be classified as hedonic/utilitarian will be determined in a pre-test questionnaire that will ask respondents to rate countries according to hedonic/utilitarian criteria.

These attitudes, in turn, pre-empt a second construct, the conative intentions and subsequent behaviour of the consumer towards foreign-sourced products. The research will examine in-depth consumer's thoughts and beliefs (cognitions), feelings and emotions (affect) with regards to a product's country of origin image in doing so it is hoped a richer understanding of how consumers use country image cues will emerge. It will attempt to improve understanding of how COO cues affect the formation of product attitudes toward foreign products.

#### **1.4 Theoretical Relevance of the Dissertation**

This dissertation aims to further the theoretical understanding of COO-effects. This research will differ from traditional COO studies in the following ways;

1. The cognitive and affective interpretations consumers give to COO stimulus are examined in detail and the resulting rich “country attitudes” provide the basis for more robust analysis of COO effects.
2. As a result, besides reconfirming the fact that COO stimuli affect product attitudes, this study will provide the literature with possible answers to the questions of how and why they do so.

#### **1.5 Managerial Relevance of the Dissertation**

Several contributions are envisaged for consumer behaviour, government agencies and multinational corporations. First, a more comprehensive understanding of how attitudes towards countries are formed will help firms better target their product, pricing and promotional strategies to the needs of their target markets. For example, firms may realise the need to extend their marketing communications beyond their immediate corporate objectives and to examine more macro level message strategies that draw on positive associations related to the source country. Secondly, the insights gleaned may help firms structure their responses to adverse events that are generally out of their control; such the anger of both Chinese and Japanese consumers over the Senkaku Islands dispute.

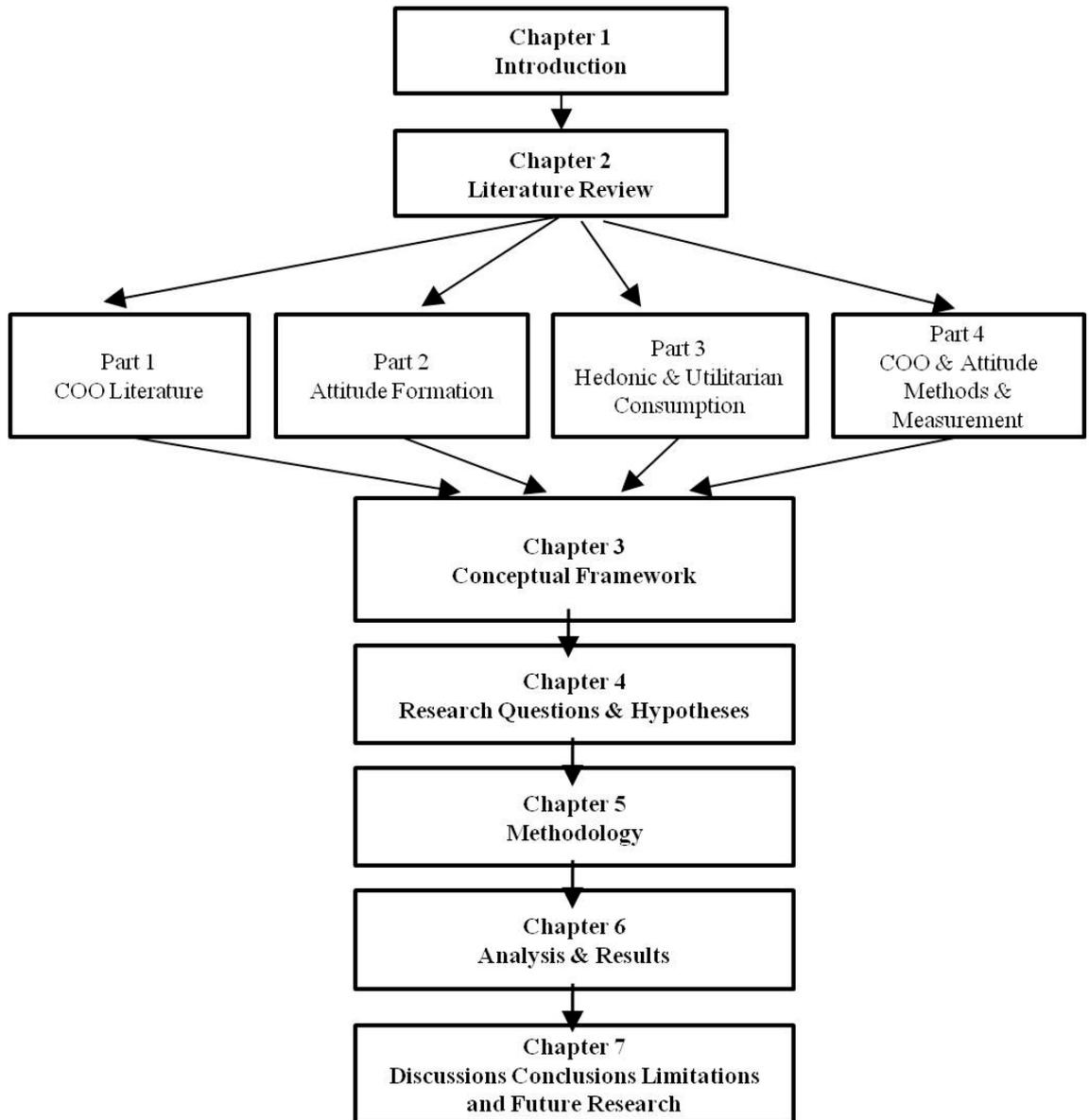
Finally, besides relevance to the operations of the international firms, it is hoped that by uncovering some of the psychological inputs to people's towards countries, public sector organisations and NGO may be able to utilise these findings in their work with other countries.

## **1.6 Dissertation Outline**

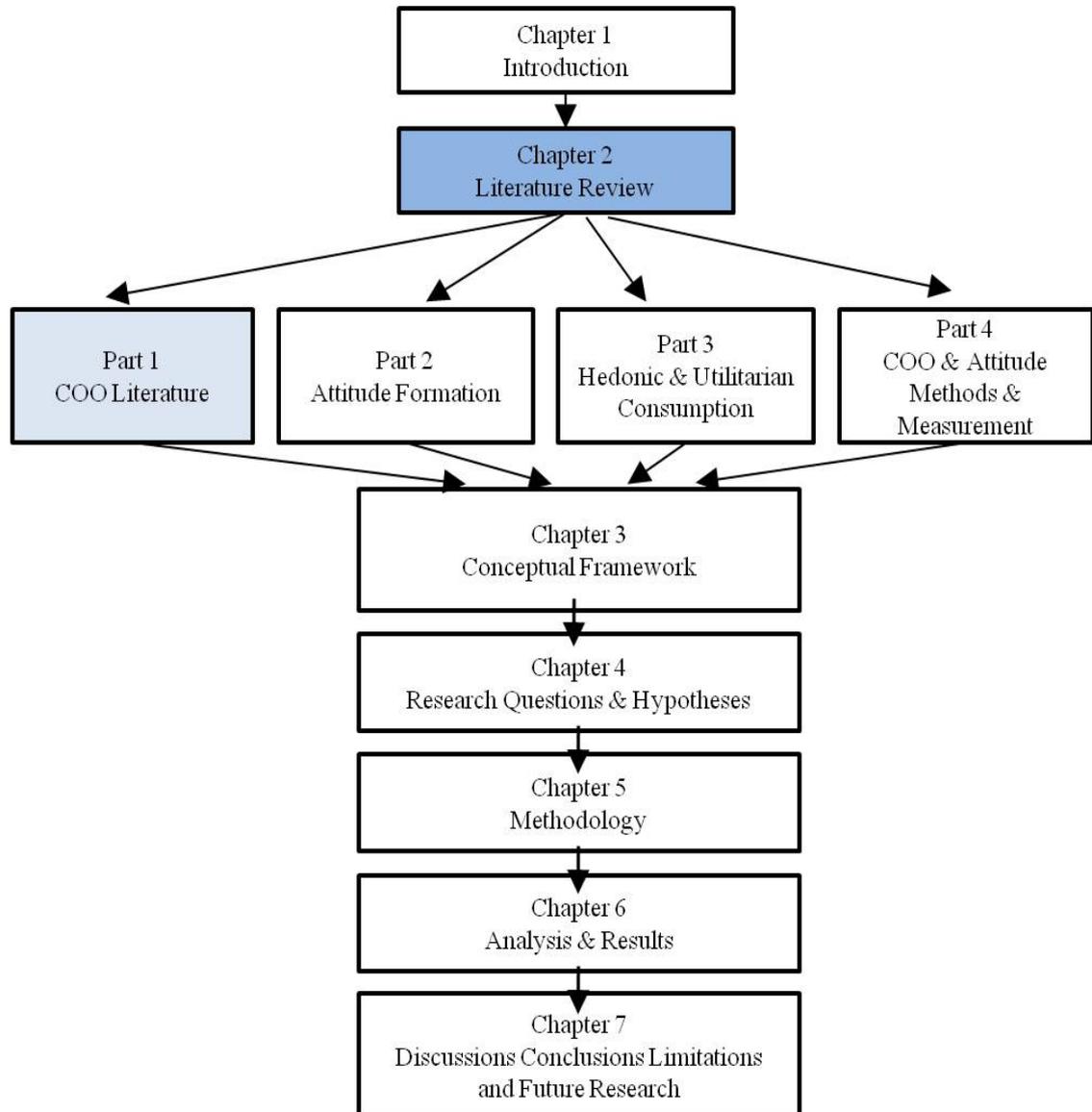
The following literature review chapter contains a review of the research and key theories that are pertinent to the thesis. It consists of four subchapters. The first of these focuses on the COO research and literature to date. By way of outlining the COO research journey, attention will be drawn to some of the knowledge gaps in the field which form the justification for this study. In particular, the inadequacy of existing research to inform us as to how and why consumer's attitudes towards countries affect their dispositions towards foreign sourced products is demonstrated.

In part two of the literature review, the social psychological literature on attitude formation is examined in depth. Theoretical models of attitude formation are evaluated, and from these, a model is chosen to form the theoretical underpinnings of this study. This is followed by the third subchapter which discusses the theories of hedonic and utilitarian consumption. Finally, the literature review is drawn to a close with a sub chapter detailing the methodology and measurement techniques used in COO and attitude research.

Chapter three outlines the conceptual framework for the study. In chapter four a theoretical model is presented from which a series of hypotheses are formulated, also within this chapter the methodology and results from the pilot testing are outlined. Chapter five outlines in depth the research design including a detailed outline of the questionnaire as revised after pilot test results. It will also contain an outline of research method, country selection and product type selection. The data-analyses and empirical results are be presented throughout chapter six. Finally, chapter seven is reserved for a discussion of the results, conclusions, managerial and theoretical implications of the findings. Within this chapter, the limitations and an agenda for future research based on these findings will be proposed. The figure below illustrates the outline of this dissertation.



## CHAPTER TWO – PART 1



## 2.1 COUNTRY OF ORIGIN (COO) LITERATURE REVIEW

This chapter examines the extant literature on the role of country of origin in consumer behaviour; it commences with a review of the theoretical developments in country-of-origin research.

Reference to the effects of country-of-origin (COO) has a long history in the writings on international business. In the 13th century book, *The Description of the World*, written by Rustichello da Pisa, and based on the tales of Polo's travels, Polo spoke at length wrote about silk from China and spices from India. However as a field of academic enquiry COO is relatively young. The first extant investigation of the effects of country of origin on consumer attitudes and behaviour towards foreign sourced products was by Schooler in 1965. Since then, extensive research has documented that consumers evaluate the efficacy of a product based on its country of origin. Favourable country of origin perceptions is often reflected in correspondingly favourable product evaluations (Maheswaran 1994).

Country of origin is generally indicated by "Made in ..." labels. The use of these labels has been traced back to the ancient Greece, where it was common practice to stamp products with logos or other indications of origin (Aaker 1996). For most products, COO labels are legally required in many countries (including Australia, the US and the European Union), although practices such as international sourcing and production make it increasingly difficult to answer the question "where does this product come from?"

One way to address this issue is the introduction of a more fine-grained classification of product origins, distinguishing for example between "country of design" and "country of production". This idea has been adopted for example by IKEA, which labels its products as "Made in ... - Design and Quality: of Sweden". "Made in" labels are not the only cues that consumers may use to infer the country or origin (or "nationality") of products. As illustrated by the examples in Table 1, marketing instruments like advertising and branding may be used to implicitly or explicitly link a product to a (origin) country.

Such links do not necessarily represent the "truth", i.e., they may link a product to a country other than the place of manufacture or design. For example, despite sounding American or British, "Kenwood" is a Japanese make of consumer electronics, and the British flag on Reebok shoes has no connection to the brand's country of origin (US) or to the shoes' country of manufacture (mostly Asian countries). Leclerc, Schmitt and Dub (1994) coined the term "foreign branding" to refer to such practices

**Table 1 - Examples of references to country of origin**

<b>Marketing Instrument</b>	<b>Type of Reference</b>	<b>Is the Reference True or False</b>
<b>Advertising</b>	<b>Explicit</b> 1. Absolute – “Swedish Vodka”	1. Absolute – True
	<b>Implicit (Through words or visuals)</b> 1. Audi “Vorsprung durch Technik” (In UK)	1. Audi - True
<b>Branding/La belling</b>	<b>Explicit</b> 1. Cafe de Columbia 2. American Express 3. Japan Airlines/British Airways 4. Canadian Club	1. Cafe De Columbia (false a Nestle brand with beans sourced from many countries) 2. American Express – True 3. National airlines – True 4. Canadian Club - True
	<b>Implicit (Linguistic references or use of flags/symbols)</b> 1. Kenwood versus Mitsubishi (Both Japanese) 2. Boursin (French sounding Unilever) 3. Ikea “of Sweden” (Blue & yellow corporate colours)	1. Kenwood – Implies US or British origins - False 2. Boursin – Unilever brands - False processed in Holland 3. Ikea - True

Although consumers may not know where a specific product is manufactured, they often link a specific nationality to brands and companies. Many consumers recognise Nike and Apple to be American, Gucci and Ferrari as Italian, Louis Vitton, Hermes, Chanel and L’Oreal to be French, Sony, Toyota and Mitsubishi as Japanese, and Volkswagen, Mercedes and BMW as German brands (Samiee, 1994). COO is one antecedent of brand personality (Aaker 1997), or in the words of Papadopoulos and Heslop (1993, p xxii) "(Country of origin) is to a product what occupation is to a new acquaintance we make at a party: we sort of have to ask about it (if it has not already been offered) to put our new friend into context [and] to make a value judgment".

The fact that products tend to evoke a particular country of origin has several implications for marketers. If the evoked country of origin enjoys a favourable image, it may be beneficial to emphasise this origin in marketing communications. Smaller sized companies with restricted marketing budgets may even consider constructing their image entirely on this proposition, thus saving the cost associated with establishing an image of their own. When a country of origin enjoys a favourable image in a particular market, it may present a valuable marketing instrument. With an unfavourable country of origin, the best strategy seems to be to avoid any connection, or to revert to a "foreign branding" strategy (Leclerc et al. 1994).

### **2.1.1 Country-of-Origin: Denotational Complexity**

The globalisation of manufacturing and product component sourcing has meant the concept of country of origin has evolved from a single-dimensional construct to a multi-dimensional one. Originally, the country of origin of a particular product was defined as the nation where the product was made or manufactured. In the global marketplace, this uni-dimensional conception has to be adapted to daily reality where buyers are confronted more frequently with "hybrid" products (e.g., Ettenson and Gaeth 2001); such as products manufactured in one country while branded in another (e.g., Han and Terpstra 1988; Johansson 1989; Johansson and Nebenzahl 1986; Johansson and Thorelli 2005).

Sub Dimensions of Country of Origin, Inch & McBride (1998) & Chao (1993) comprise the following;

1. **Country of Design:** Country where the end product was initially conceptualised and designed. Usually a first world country which has recognised strengths in R&D and high tech manufacturing, with a focus on quality and reliability.

2. **Country of Parts:** Country where component parts are manufactured. Often product components are outsourced to generate cost savings especially when the manufacturing process is labour intensive. Frequently this refers to developing countries where labour costs are low.
  
3. **Country of Assembly/Manufacture:** Country where the various parts are assembled, where the product is partially or fully assembled but not yet ready to be sold to the end consumer. This is important as multinational corporations who manufacture offshore in foreign lands risk the potential loss of brand name value/equity according to the consumer's perception of the country that they are using as a manufacturing base, (Haubl 1996). This has become especially prevalent in recent years as multinational firms relocate manufacturing processes to lower cost developing countries.
  
4. **Country of corporation:** The country where the headquarters of the firm is located.

**Table 2 - Country of Origin Taxonomy**

<p><b>Country of Design</b> The country in which either a part of, or the entire finished product is designed</p>	<p><b>Country of Assembly/Manufacture</b> The country where manufacture or final assembly takes place</p>
<p><b>Country of Components</b> The country that is the source of identified key parts or components</p>	<p><b>Country of Corporation</b> The country where the headquarters of the firm is located</p>

Studies testing a decomposed COO have yielded results, including the following:

- Country-of-assembly (COA), country-of-parts (COP), and country-of--design (COD) each significantly affect consumer's perceptions of product quality (Insch and McBride 1998; Chao 2001).
  
- The salience of COA, COP, and COD in influencing product quality evaluations is dependent upon the technical complexity of the product (Insch and McBride 1998) as well as the customer's age, education level, and degree of familiarity with the product (Insch and McBride 2004).

- In the context of technologically complex products, country of parts and country of assembly both carry more weight in explaining participant responses than country of design (Insch and McBride 2004, Chao 2001).

### **2.1.2 Evolution of Country of Origin into Brand Origin**

To some researchers, multinational production activities are prompting consumers to shift their focus from country-of-origin to country of brand. Firstly, they reason consumers might experience difficulties uncovering the precise origin of a product. Secondly, it is becoming increasingly common that the country of manufacturing is different from the country of brand. Finally, as consumers become more brand-conscious and the product quality difference among various manufacturing countries diminishes, the effect of brand name may have increased relative to the effect of country of origin.

Therefore, some scholars have suggested a focus on a product's "country of brand origin" (e.g., Lim and O'Cass 2001; O'Shaughnessy and O'Shaughnessy 2000; Phau and Prendergast 2000; Thakor and Kohli 1996). Instead of indicating where a product is made, these concepts activate the imagery people might associate with the country to which a product's brand is typically associated. For instance, it might be difficult to determine where the bottle of Coca-Cola you buy has been made, but you likely be aware that Coca-Cola is an American brand. This "American-ness" in turn might activate "American dream" related imagery such as 'can do attitude', 'optimism', 'innovation' etc.. Thakor and Lavack (2003)

Thakor and Kohli (2003, p. 51) define brand origin as "the place, region or country to which the brand is perceived to belong by its target consumers." They name antecedents to brand origin such as location of ownership, location of manufacture, location of assembly, origin of top management and others peculiar to the consumer such as press releases and marketing communications of the company. With the aid of these cues, consumers formulate perceived brand origins, from which they devise general perceptions, attitudes, expectations and intentions about the product and the brand.

In an early examination of the "Country of Brand Origin" effect, Han and Terpstra (1988) sought to disentangle the effects of the country of manufacturing/assembly and the country of the brand on consumer perceptions. They found both affect consumer perceptions of product quality. However, the country of brand origin was found to have more powerful effects on consumer evaluations of product quality than the country of manufacture. There are exceptions to the above observations. For an unfamiliar brand the country of origin has found to more important to consumers than for a familiar brand. A contemporary example is the recent introduction of Chinese brand cars in Australia including Great Wall, Geely and Chery. In addition, for products with high performance risk, the country of origin effect is stronger and consumers tend to be more critical of the products manufactured in less developed countries.

### **2.1.3 Antecedents of Country of Origin Effects**

#### **Level of a Country's Economic Development**

The perceived economic status of a country in the consumer's mind has also been shown to influence their subsequent evaluation of products and services from that country. Manrai, Lascu and Manrai (1998) found U.S. consumers tend to have a greater bias against luxury goods when they are made in less developed economies. The bias is greatest for luxury goods and decreases for convenience goods. Cordell (1991) also found that U.S. consumers are biased against products from developing nations when the price and the financial risk of the purchase increase. Generally it has been found that products from developed countries receive more positive evaluations than products from less developed ones (Cordell, 1993; Damanpour, 1994; Darling, 1987; Gaedeke, 1985; Jo, Nakamoto and Nelson, 2003).

#### **Type of Product**

Country of origin effects also vary by product type. For instance, Kaynak and Cavusgil (1983) found that Japanese electronic products received high quality evaluations while Japanese food products received low ones.

Thus, while overall product-country quality stereotypes do occur at the macro or global level, country image appears to be also operating at the micro or product type level.

Roth and Romeo (1992) correlated the importance of product category dimensions (innovativeness, design, prestige and workmanship) with the perceived image of the country of origin along the same dimensions. The authors found that such perceptual links can be either favourable or unfavourable. A product-country fit occurs when the perceived country image dimensions (e.g. Swiss punctuality) are related to desirable product characteristics (e.g. watches). Consumers' willingness to buy was found to be high when countries were evaluated highly on dimensions that were also important to these product categories (Roth and Romeo 1992). Agarwal and Sikri (1996) examined whether pre-existing country images can transfer to and influence judgments of new products. They found considerable association between beliefs held for the most well known product category from a country and expectations for new products. In particular, the transference of consumer beliefs to the new product was greater when the perceived similarity between the well-known product and the new product was higher.

The size of the COO effect appears to be larger for technically complex, fashion-oriented and expensive products than for products which are low in technical complexity, inexpensive or not fashion-oriented. Another moderator of COO effects is the product category itself. The review of Bilkey and Nes (1982) asserted that COO effects exist for industrial as well as for consumer goods. Verlegh and Steenkamp (1999) reported that the COO effect was significantly larger for consumer goods than for industrial goods. The underlying reasoning was that industrial goods are approached by professional purchasing agents who are more rational in their decision making while also better informed than the average household buyer.

## **2.1.4 Country of Origin Mechanisms**

### **Country of Origin as a Stereotype**

The country of origin of a product represents a knowledge structure similar to the stereotype of a person, which link a stimulus or set of stimuli to highly probable features. The stereotype of a country may reflect “the overall perception consumers form of products from such a country, based on their prior perceptions of the country’s production and marketing strengths and weakness” (Roth and Romeo 1992).

Consumers may acquire such stereotypes from just a few observations of the target products from a particular country. The observations may be context dependent and are likely to vary across situations. For example, consumers may form stereotypes such as “French clothing is fashionable” based on a recent fashion show they watched on TV, or “Kraft food products are superior” because a comparison of Kraft to a local store brand. In some cases, the stereotype may even be based on inference rather than on any observation of the target product. For example, on the basis of stereotype for Japan- a nation that manufactures reliable electronic products, consumers may infer that electronic products made in Japan (e.g., DVD players) are technologically more advanced and of high quality.

### **Longitudinal Effect of COO**

Country of origin attitudes may change over time. Nagashima’s (1970 and 1977) longitudinal studies of Japanese businessmen’s “made in” perceptions indicated an improvement in the Japanese image and a relative weakening of the U.S. image during that period. Wood et al. (1999) conducted a longitudinal “gap analysis” of U.S. versus Japanese product and marketing efforts. Using evidence gathered in Finland every five years (from 1975 to 1995), their research explored which dimensions of marketing strategy contribute most to consumer perceptions and preferences over time. The Wood et al. (1999) study found that, in the minds of the Finnish consumers, the product competitiveness of U.S. products was significantly less than it was for products from Japan. This is true for each of the five time periods investigated.

However, the gap between the two countries' perceptions narrowed during the 1990 to 1995 period, indicating that over time, perceptions of U.S. product competitiveness has improved.

Wood and Darling (1993) reported on a similar study of Finnish perceptions of Soviet products from 1975 to 1990 (Finland was a major trade partner of the now defunct U.S.S.R.) relative to products originating from seven Western countries. They found that perceptions of products as well as of marketing practices regarding Soviet-made products were significantly worse than all origin countries. This was consistent for each of the four time periods investigated, and over time these perceptions have become more pronounced.

### **2.1.5 Normative COO Effects**

Relative to the extensive literature on country of origin effects that are based on product performance, the normative effect of country of origin based on non-product or non-performance related perceptions are not well understood.

Here, we review two normative effects of the country of origin that are independent of product performance and characterise the multi-dimensional nature of "Product-Country Image" - ethnocentrism and animosity effect.

#### **Ethnocentricity**

Contrary to foreignness effect, extensive research has documented an aversion to foreign products because of protective instincts towards local brands (Nielsen and Spence, 1997, Papadopoulos, Heslop and Bamossy, 1990; Samiee, 1994; Shimp and Sharma, 1996). Ethnocentricity constitutes a mental barrier for the success of imported goods, and can be used as a protectionist instrument. From the perspective of ethnocentric consumers, purchasing imported products is wrong because it hurts the domestic economy, causes loss of jobs and is unpatriotic. This line of reasoning underlies "Buy National" campaigns, i.e., campaigns aimed at promoting the sales of domestically produced goods. Such campaigns have periodically run in countries, including the US, Great Britain, Australia, France and India.

They are often sponsored by governments or organisations related to business and industry. In Australia the popular business leader Dick Smith has been a continuous advocate of Australian products and components (BRW, 2009). In addition, "buy national" or sub-national may be sponsored by organised labour (e.g., the 2011 "WA Local Content" campaign aimed at increasing Western Australian content procurement by large multinational infrastructure developers which has been organised and run by the WA branch of the CFMEU) or consumers. For each of these parties, buy national campaigns are a means to increase the favourability of consumers' attitudes toward domestic goods, which is thought to be beneficial to the domestic economy, and to the preservation of jobs in their own country. In line with its protectionist background consumer ethnocentrism is stronger in regions and industries where employment is threatened by foreign competition (Shimp and Sharma 1987).

The ratification of international free trade agreements theoretically makes it more difficult to take formal protectionist action, and this development ironically, is likely to increase the importance of informal instruments such as buy national campaigns. Recently, Clarke, Owens and Ford (2000, p. 115) stated that "In the U.S.A., there are many attempts to affect consumer purchase behaviour through such non-tariff barriers as "Buy National" campaigns". Given the U.S has lost over twelve million manufacturing jobs over the past two decades to offshore destinations, Engel, Blackwell and Miniard (2005) note: "it is not surprising that the country in which a product is produced has become an important consideration among many American consumers.

Ethnocentricity can also be looked at from the perspective of social identity theory. The social identity that is derived from an individual's membership in a social group is a part of the self (Mackie and Smith, 1998). Social identity theory assumes that individuals are motivated to maintain a positive self-image. This motivation is viewed as a strong and universal characteristic of human nature and results in "a need for positive social identity, expressed through a desire to create, maintain or enhance the positively valued distinctiveness of in-groups compared to out-groups on relevant dimensions" (Turner 1999, p.8). Ethnocentricity is clearly a form of in-group bias, vis. "the phenomenon that people tend to favour their own group over relevant comparison groups" (Jetten, Spears and Manstead, 1999, p. 107).

The extent to which group members identify with a particular group (i.e., the extent to which this group becomes part of the self) differs between individuals.

These differences may be related to individual differences in the need to belong, but also to differences in group members' position or role in the group, or to differences in other facets of the self (Phinney 1990, Brown 2000). When an individual identifies more strongly with a particular group, evaluations of this group will have a stronger impact on the self. It is therefore likely that the individual displays a stronger bias in evaluations of this group versus relevant out-groups (Tajfel 1981). It follows that a positive bias in the evaluation of products made by the own group is a means to enhance group- and self-esteem. In this way national identification creates a social psychological motive for home country bias, resulting from the consumer's desire to maintain a positive social identity.

Consumer ethnocentrism on the other hand offers an economic perspective on home country bias. Thus, national identification and consumer ethnocentrism are based on different mechanisms. The effect of national identification on product preferences is based on the desire to maintain a positive social identity, while the effect of consumer ethnocentrism is based on the desire to protect the own economy. Nonetheless, these two constructs are related to each other. The desire to protect the own country's economy will be stronger when consumers attach greater value and significance to their own country. When national identification is higher, consumers attach more importance to their home country, and feel more strongly attached to other members of the national group. Accordingly, they will have a stronger desire to protect this group in an economic sense. Thus, high levels of national identification are paired with stronger consumer ethnocentrism.

### **Animosity**

Consumer ethnocentrism is one normative antecedent of the country of origin effect. Another is animosity. Klein, Ettenson, and Morris (1998, p. 93) define animosity as the “remnants of antipathy related to previous, or ongoing military, political, or economic events.

In this context, consumers may boycott products from the offending nation not because of poor product quality, but because the offending (i.e. exporting) nation has engaged in economic, political, or even military activities that the consumers find difficult to forgive.

Such behaviour can be found throughout the world. For example, Jewish consumers boycott German products because of the holocaust during WWII and many New Zealand consumers refuse to purchase French products because of French nuclear tests in the Pacific and the Rainbow Warrior incident. Similarly, during WWII, the atrocities committed by the Japanese army against the civilians in Nanjing, also has implications for the purchase of Japanese products. Klein (1998) conducted a survey of Nanjing consumers and found that while Japanese products are viewed quite positively by these consumers in terms of quality judgment; animosity towards Japan and the Japanese made them reluctant to purchase Japanese products.

The boycott of the Danish Arla foods in the Middle East, following the publication of perceived offensive cartoons in a Danish newspaper is one example of animosity effect (Forbes, 2009) Similarly, the renaming of French Fries as Freedom Fries in the United States to express the displeasure with the French in the beginning of the Iraq Conflict is yet another (New York Times, 30 October, 2003). Some animosity effects such as the Arla Foods and Freedom Fries examples have short term implications for the purchase of products, yet others seem to have a continued impact on the conduct of business. The animosity between China and Japan provide a case of ongoing incidents that seem to go beyond the response warranted by the conflict situation. For example, in April 2005, Japan's Education Ministry approved textbooks that minimised the extreme nature of the country's wartime involvement in China (Asian Wall Street Journal, 24 April 2005). This resulted in a strong reaction from the Chinese consumers that evolved from peaceful demonstrations at the beginning to the destructive vandalising of Japanese restaurants and a series of boycotts of Japanese cars and electronics in major cities, resulting in major financial set-back for Japanese companies.

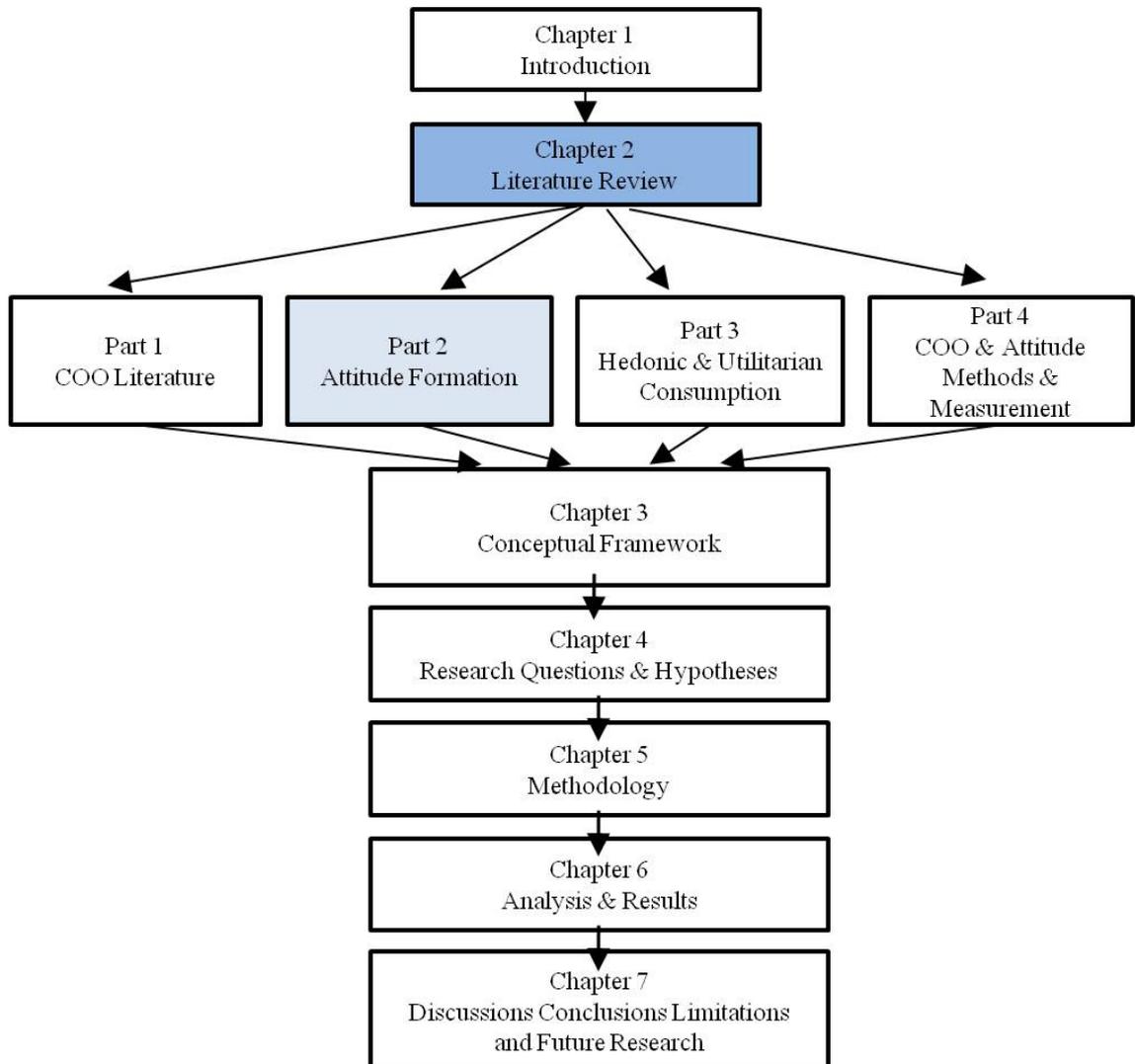
These incidents suggest the enduring and transient nature of animosity may be moderated by several factors and the extremity of the emotional response may also vary as a function of either historic or economic factors.

Examining potential mitigation strategies to the animosity effect associated with Japanese products among Chinese consumers, Phau and Kea (2006) investigated the potential for hybrid products (i.e. such as branded in Japan but made in China) to neutralise the effects of animosity on consumers' willingness to buy these products. Their study showed that the Chinese consumers are not any more receptive to hybrid products. The implications are that when consumers' animosity towards a specific country is extremely high, products regardless of being fully or partially associated with the offending country would not be accepted or tolerated. As such, companies from offending countries should downplay their business activities, perhaps attempt to downplay their perceived brand origin in the host market, or even consider alternative markets if animosity effects remain insurmountable.

Klein, Ettenson and Morris (1998) posit consumer ethnocentrism and consumer animosity towards a foreign country are two distinct constructs with different outcomes relating to consumer perception and purchase of foreign products. They contend animosity differs from consumer ethnocentrism in two key aspects. Firstly, while consumer ethnocentrism concerns beliefs about the appropriateness and morality of purchasing foreign products in general, animosity is a country-specific construct. (Klein 2002). Thus those who find it perfectly acceptable to buy foreign products in general may refuse to buy any product from a specific country if they have negative attitudes towards the target country.

Second, consumer ethnocentrism is correlated with quality judgment in the sense that consumers who rate themselves as ethnocentric also believe that the products made in their own country have better quality. Animosity, however, may be independent from quality judgment and is only predictive of behaviour. A consumer with animosity towards a certain country may refuse to buy the product originating from the target country without derogating the quality of the products. The antecedents of animosity are also quite different from ethnocentrism.

## CHAPTER TWO – PART 2



## **2.2 ATTITUDES**

### **2.2.1 Background & Outline**

Hardly any topic in social psychology has attracted more attention than attitude research. A long-standing debate, which goes back to the early years of social psychology, has been whether to study attitudes or behaviour. The sociologist Read Bain (1928, p. 940) wrote, "The development of sociology as a natural science has been hindered by too much attention to subjective factors, such as... attitudes." Behaviourists in particular, have tried to avoid use of "mentalistic concepts" like attitude, and to study observable behaviour instead. However, the majority view among social psychologists was expressed by Gordon Allport, in 1935, who stressed the central importance of attitudes: Today the concept of attitude is among the most studied topics in social psychology.

The study of attitudes and related topics has remained the dominant paradigm in social psychology (McGuire, 1985). In their research review, Petty and Wegener (1998) declared, "Although it has become cliché to say that the attitude construct is the most indispensable construct in contemporary social psychology, this statement appears as true today as when G. W. Allport (1935) initially wrote it" (p. 323). The high interest in attitude research seems likely to continue in the foreseeable future (Tesser & Shaffer, 1990; Eagly & Chaiken, 1993, 1998; Olson & Zanna, 1993; Petty, Wegener, & Fabrigar, 1997; Ajzen, 2001). The fundamental utility of attitudes can be succinctly expressed as attitudes are seen as providing guidance in a complex world. Social behaviour without attitudes is difficult to imagine.

In this chapter the literature on attitudes is examined, with particular emphasis on the functions of attitudes in psychological processing, the formation of attitudes, their components and the various models used by researchers to describe the attitude construct. The dissection of the attitude construct is critical to this study as it is one's attitudes towards and object or subject that often determines how they will respond to a given stimulus from the attitude object.

An important part of this chapter and to the study overall, is the examination of a body of research providing evidence for distinctions between affective and cognitive influences on the formation of attitudes. This review hopes to demonstrate the usefulness of evaluating the influence of both cognitive and affective responses in the formation of attitudes towards foreign sourced products.

Attitudes were initially conceptualized as a disposition to behave in a positive or negative way toward an object (Allport, 1935). Since then a variety of definitions have been developed, a selection of these are given in the box below.

**Sample Definitions of "Attitude" by Typology**

**COMPREHENSIVE**—An attitude is a mental state of readiness, organized through experience, exerting a directive influence upon the individual's response to all objects and situations with which it is related. (G. Allport, 1935, p. 810)

**SIMPLE**—Attitudes are likes and dislikes. (Bem, 1970, p. 14)

**EVALUATIVE**—Attitude is a psychological tendency that is expressed by evaluating a particular entity with some degree of favour or disfavour. (Eagly & Chaiken, 1993, p. 1)

**EMPHASIS ON LEARNING** —An attitude is a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object. (Fishbein & Ajzen, 1975, p. 6)

For the purpose of this study, the Fishbein and Ajzen's "learning" definition of attitude is used: that is; "An attitude is a learned predisposition to respond in a favourable or unfavourable manner with respect to a given attitude object". (1975, p. 6) The attitude objects can be anything that has the potential to be evaluated favourably or unfavourably, including individuals (e.g., the prime minister of Australia), groups of people (e.g., racial groups), social issues (e.g., censorship), abstract ideas (e.g., modern art), behaviours (e.g., eating meat), and specific objects (e.g., car).

More importantly, the attitudinal orientations toward these attitude objects are subjective, because they reflect how a person sees an object and not necessarily how the object exists in reality.

A key feature of attitudes is their motivating or driving force (Allport 1935). Thus a central feature of most definitions of attitude, is the idea of readiness for response. That is, an attitude is not behaviour: but a preparation for behaviour, a predisposition to respond in a particular way to the attitude object (Allport, 1935).

Related to the concept of “readiness”, in recent years the evaluative aspect of attitudes has been increasingly stressed. That is, an attitude is now generally seen as a disposition to respond in favourable or unfavourable manner to given objects. For example, Olson and Maio (2003) define attitudes as "tendencies to evaluate objects favourably or unfavourably" (p. 299).

### **2.2.2 Functions of Attitudes**

One of the first theorists to propose a functional view of attitudes was Daniel Katz (1960), and recent theorists have largely agreed with his classification of types of attitude functions (cf. Eagly & Chaiken, 1998). Katz suggested four major functions that attitudes perform:

**1. Understanding.** Attitudes help us to understand our world and make sense of occurrences around us. They provide consistency and clarity in our explanation and interpretation of events. Attitudes may not necessarily provide a factually truthful picture of the world—merely one that is meaningful and understandable to the particular individual who holds them. That is, attitudes provide a frame of reference for understanding incoming information or new events (Katz, 1960).

**2. Need Satisfaction.** Many attitudes are formed as a result of our past rewards and punishments for prior behaviour. Once formed, these attitudes usually continue to be useful in helping us to satisfy our needs or to reach our goals.

Examples would include the attitudes of a student who comes to like physics classes because she has done well in an exam and has been rewarded by the teacher's praise and her own feeling of competence.

**3. Ego Defence.** Attitudes can also help to enhance our self-esteem and act as defence mechanisms to some extent, but they are used much more by individuals who are insecure or feel inferior or who have deep internal conflicts.

**4. Value Expression** - in the context of the social identity function of attitudes, is the value-expressive attitude, one that helps to establish a person's self-identity. (e.g., Shavitt & Nelson, 2000). Examples include the teenage girl's preference for her favourite brands of jeans. More important attitudes often express an individual's basic values, as with the conscientious objector's aversion to all aspects of warfare and violence.

These four functions of attitudes are useful in classifying and understanding attitudes. But they also have other uses. Katz (1960) asserts, they can also explain the types of situation in which different attitudes will be aroused and the types of influences that will be effective in changing different attitudes.

### **2.2.3 Defining the attitude concept**

For the purpose of this study, the conceptualisation of the attitude concept is based upon the multi-component model of attitude. Multi-component models share the basic tenet that attitudes are global evaluations of stimulus objects that are derived from three sources of information: affective responses, cognitions and behavioural information (e.g., Eagly & Chaiken, 1993; Zanna & Rempel, 1988):

- Affect refers to feelings or emotions associated with an attitude object. For instance, an individual may indicate that blood donation makes him or her feel anxious.
- Cognitive information refers to beliefs about an attitude object. For instance, an individual may believe that Australian Prime Minister Julia Gillard is intelligent and advocates policies that promote social equity.

- Behavioural information refers to past behaviours associated with the attitude object. For instance, an individual might possess a positive attitude toward increasing police powers as a result of having signed a petition in favour of this issue.

These sources of information are mutually associated, or, in the words of Eagly and Chaiken (1993, p. 201), share a “synergistic relationship,” by which, positive feelings are usually accompanied by positive beliefs and positive behavioural experiences (Eagly & Chaiken, 1993).

## **2.2.4 Attitude Structure Separability of Affect and Cognition**

Recent research has established that both the affective system and the cognitive system contribute to attitudinal formation but provide different types of inputs (Damasio, 1994; Loewenstein & O'Donoghue, 2004) and apply with a different degree of influence according to the decision environment. Given this distinction between affect and cognition and their role in forming attitudes and making decisions, it is important to ask in which circumstances do cognitive or affective inputs predominate in the formation of attitudes.

### **2.2.4.1 Affect**

The term affect is a conglomerate that encompasses more specific mental processes including emotions, moods, and feelings (Bagozzi et al, 1999).

Most consumer research on affect deals with moods ( e.g., Barone, Miniard, & Romeo, 2000; Cohen & Andrade, 2004; Gorn, Goldberg, & Basu, 1993; Pham, 1998) although there has been growing interest in the study of specific emotions (e.g., Lerner, Small, & Loewenstein, 2004; Raghunathan & Pham, 1999; Raghunathan, Pham, & Corfman, 2006). Moods are usually thought of as low intensity affective states the source of which is generally not clear. The individual, prompted either by physiological or hormonal/chemical activity (such as changes in levels of serotonin and dopamine) or by external stimuli (music, weather, exposure to happy versus sad information), experiences a sense of feeling good or bad without necessarily knowing quite why.

Emotions are more differentiated and provide more attitude and behaviour-specific information. Feeling anger, for example, will often lead to target and context-specific responses rather than more general displays of unhappiness (Bushman & Baumeister, 1999). The distinction is important to the study of how affect may influence COO attitudes as it is the more context specific emotional responses to COO stimulus that are measurable.

Researchers have found that some attitudes are uniquely related to feelings about the attitude object, whereas others are uniquely related to beliefs (cognitions) about the attitude object. For example, feelings are particularly strong predictors of attitudes toward blood donation (Breckler & Wiggins, 1989), intellectual pursuits (e.g., literature, math; Crites et al., 1994), smoking (Trafimow & Sheeran, 1998), condom use (de Wit, Victoir, & Van den Bergh, 1997), deaf people (Kiger, 1997), politicians (Glaser & Salovey, 1998), and alcohol and marijuana use in frequent users of these drugs (Simons & Carey, 1998). In contrast, beliefs are strong predictors of reactions to persuasive messages (Breckler & Wiggins, 1991) and attitudes toward a variety of controversial issues (e.g., capital punishment, legalised abortion, nuclear weapons; Breckler & Wiggins, 1989; Crites et al., 1994). These unique relations support the distinction between the cognitive and affective components of attitudes.

#### **2.2.4.2 Cognition**

The “cognitive component” of attitudes contains a person’s internally stored beliefs about the attitude object and the evaluative aspect of those beliefs. People come to hold positive attitudes towards objects they believe have good attributes and negative attitudes towards objects that they believe have bad attributes. A measure of an individual’s attitude towards an object should therefore correlate with measures that sum the individual’s evaluations of the positive and negative attributes of that object. Research by Fishbein (1963) and others (Cronen & Conville, 1975; Smith & Clark, 1973) have supported this prediction demonstrating moderate correlations between attitudes and beliefs.

### **2.2.4.3 Relationships between Affect and Cognition**

By far the most heavily studied relationships between various components of attitudes has been that of the cognitive-affective relationship. Many researchers (Eagly and Chaiken, 1993, Zajonc, 1980,) acknowledge that responses associated with attitudes do not always neatly group into affective and cognitive classes and that affective and cognitive classes of evaluative responses may influence one another (Eagly & Chaiken, 1993, p.17). For example people may acquire information about an attitude object and think about this knowledge, which may stimulate an emotional response.

Thus, the cognitive based attitude feeds back through additional psychological processes and provides affective bases for the attitude, illustrating the challenge of completely separating affect from cognition. Nonetheless, researchers argue that evidence exists for some separability of affect and cognition. For example research indicates a two dimensional model encompassing affect and cognition provides a better fit for the data than a uni-dimensional model, suggesting that affective and cognitive evaluative responses can be separated (Eagly & Cahiken, 1993)

### **2.2.4.4. Attitude Formation**

Beyond the question of how attitudes guide behaviour (e.g., Ajzen, 1991; Fazio, 1990), two major topics have been of primary interest in attitude research: attitude formation and attitude change.

Traditionally, attitudes have been viewed as existing structures that are relatively stable across time. However, there are many instances in which a person may not have an existing attitude but, when asked a question, can easily construct one. It is also possible for an individual to have several, partially inconsistent attitudes about the same object.

Wilson and Hodges (1992) suggest that when people form an attitude they draw from a large database of information, including their past behaviours, their mood, their surroundings, the context in which the question was asked, and a range of beliefs about the attitude object.

#### **2.2.4.5 Models of Attitude formation**

Social psychological, advertising and consumer behaviour scholars have focused on the following groups of models to help explain attitude formation:

1. **Dual Processing Models** - E.g. The elaboration likelihood model (Petty & Cacioppo, 1986)
  
2. **Causal Chain Models,**
  - a. Expectancy Value Theory (EVT)
  - b. Theory of planned behaviour – TPB (Fishbein & Ajzen, 1975)
  - c. Theory of reasoned action - TRA (Ajzen, 1985, 1991)
  - d. ‘Hierarchy of effects’ models (Solomon et al. 1999); including the standard learning model, the experiential model and the low involvement models (Solomon et al. 1999)
  
3. **Two component models** – which recognise and evaluate the relative influence of cognition and affect in forming attitudes. The two component models treat conation as a separate construct that is a direct outcome of the relative influence of cognition and affect, but is not a component of the attitude itself. Unlike the casual chain models the two component models do not attempt to determine the sequence that cognition and affective information processing occurs in the brain. (Cacioppo et al, 2004)

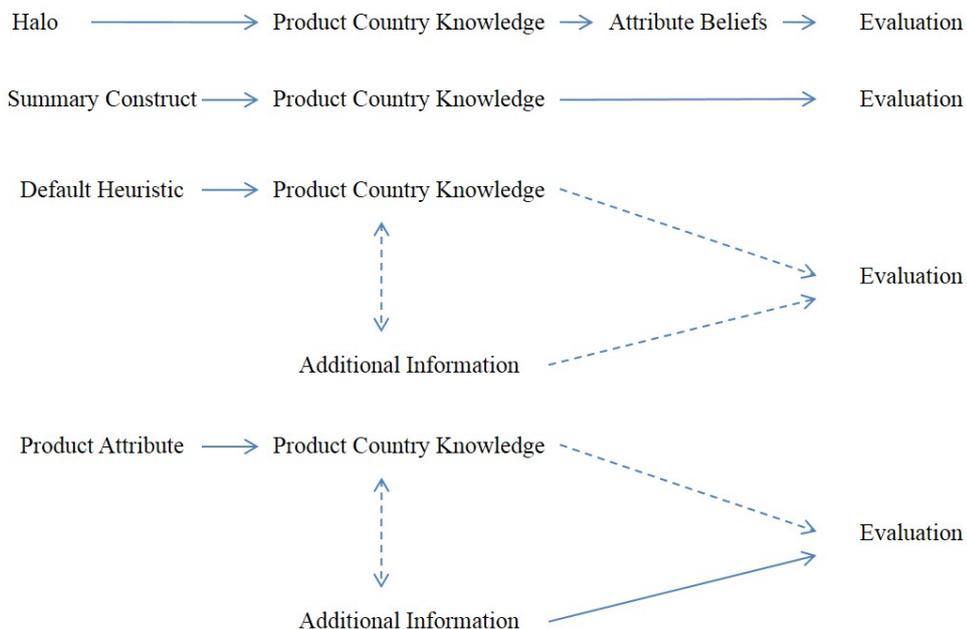
##### **2.2.4.5.1 Dual Processing**

The dual processing models suggest people form decisions through one of two modes. Under these theories, people generate relevant thoughts and make a decision based on cognitions (if they are able and motivated to create cognitions about the attitude object) or they rely on superficial, heuristic cues to make decisions (if they do not have the capacity or interest in processing cognitively) (Petty & Cacioppo, 1986).

These models have made important contributions to our understanding of how people process information and come to form decisions. Perhaps the most well-known of these models is the Elaboration Likelihood Model (ELM) (Petty & Cacioppo, 1986); which describes the way in which information processing is determined by a consumer's motivation and ability to engage in (COO) cue-processing.

According to the ELM, persuasion can occur through an elaboration process lying on a continuum ranging from central to peripheral. When an individual has the motivation and ability to attend to the central merits of an argument (i.e., high elaboration), persuasion occurs through a more central route, and factors such as argument quality play an important role. If, on the other hand, the individual is either not motivated or unable to attend to the argument (i.e., low elaboration), persuasion will take a more peripheral route. Applications of the Elaboration Likelihood Model in a COO context, have been reported by Gurhan-Canli and Maheswaran (2000), Knight and Calantone (2000) and Verlegh et al. (2005). An adaptation of the Elaboration Likelihood Model in the COO context is shown in Figure 1 below.

**Figure 1: The Elaboration Likelihood Model**



Source - Petty & Cacioppo, 1986

Although the dual processing models have provided insights into the attitude and decision making process, they have three identifiable shortcomings (Petty & Cacioppo, 1986). First, the models consider the impact of affect on processing but do not consider the target's affective involvement with the attitude object (i.e. COO product) second, the models do not appear to allow for the simultaneous processing of cognitive and heuristic experiences. Finally, the dual processing models focus on argument strength but do not suggest which variables the target considers in making a decision to accept or reject the message. These shortcomings are briefly discussed below.

Researchers testing the dual processing models have demonstrated that affect influences information processing, but the models do not appear to consider the influence of affect on attitude formation, even as psychologists and communication researchers have clearly demonstrated that affect is an important contributor to attitude formation (Andersen & Guerrero, 1998; Dillard & Peck, 2000).

Only recently has there been a recognition of the need to examine how the modes interact (Clore, Gasper & Garvin, 2001). Dillard and Peck (2000, 2001) have demonstrated that people have both cognitive and affective reactions to stimuli. These reactions influence attitude formation which, in turn, impacts behavioural intentions and outcomes.

In summary, the dual processing models have added to the body of knowledge, yet they have significant limitations. The causal chain models share some of these limitations and provide different advantages.

#### **2.2.4.5.2 Causal Chain Models**

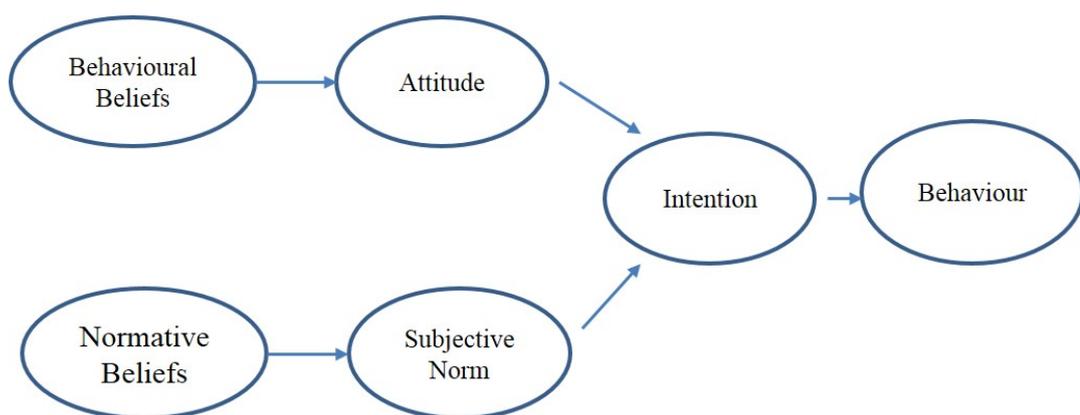
'Causal chain' is broad term given to range of attitude formation and information processing models that were developed in the 1960's to 1980's. They are named for their structure whereby an ordered sequence of events in which any one event in the chain causes the next (Ajzen, 1981).

An early causal chain model created by Martin Fishbein (1973) is 'expectancy-value theory' (EVT). The theory states that attitudes are developed and modified based on assessments about beliefs and values. EVT has three components. First, individuals respond to new information about an item or action by developing a belief in it. If a belief already exists, it can be modified by new information. Second, individuals assign values to the attributes that a belief is based on. Finally, expectations are created or modified based on the result of calculations based on beliefs and values (Fishbein, 1973).

In the mid 70's, Fishbein and Ajzen expanded expectancy-value theory into the theory of reasoned action (TRA). (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) The TRA is a rational decision-making model designed to predict volitional behaviour (i.e., behaviour that is primarily under an individual's control). The TRA is based on the premise that a person's intention to perform a given behaviour is the key antecedent of that behaviour. People's intentions are driven by their attitudes toward performing the behaviour and subjective norms about the outcome of the behaviour.

The Theory of Reasoned Action is shown in figure 2 below.

**Figure 2. The Theory of Reasoned Action**

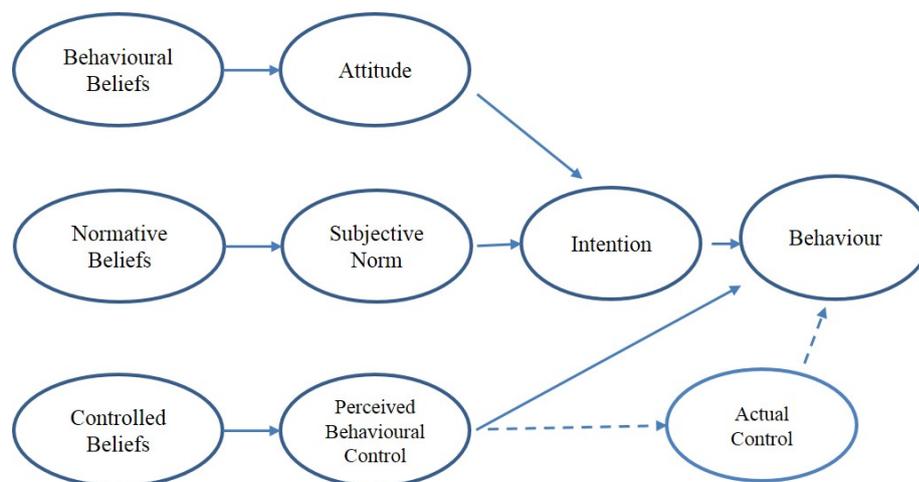


Building upon the Theory of Reasoned Action (TRA), Ajzen developed the Theory of Planned Behaviour (TPB) (Ajzen, 1988). Like the TRA, the Theory of Planned Behaviour (Ajzen, 1998; 2001; Ajzen & Fishbein, 2005; Ajzen & Madden, 1986) was developed to help explain the inconsistent relationship between people's positive attitudes toward a behaviour and their lack of behavioural response. (Radecki & Jaccard, 1997).

The TPB is an extension of the TRA, and is designed to account for the complexity of people's decision-making, especially for behaviours that are not under an individual's complete volitional control (Ajzen & Fishbein, 1980; Ajzen, 1991). Similar to the TRA, the TPB assumes that individuals undertake a rational, systematic, evaluation of the information available to them when considering behaviour (Ajzen, 1991).

The TPB maintains that a person's intention to act is the most important determinant of their behaviour. The strength of a person's intention is influenced by their attitudes and subjective norms, as well as a component unique to the TPB, that of perceived behavioural control (PBC); that is what a person perceives they are able to control, which is also believed to be a direct predictor of behaviour. A person's attitude, subjective norm, and PBC are determined by underlying behavioural, normative, and control beliefs, respectively (Ajzen, 1991). The Theory of Planned Behaviour is shown in figure 3 below.

**Figure 3. The Theory of Planned Behaviour**



Source: Ajzen, I. (1979).

Both the TRA and TPB address predictive and explanatory weaknesses with EVT and are still prominent theories in areas such as health communication research, marketing and economics (Ludman & Curry 1999; Palmgreen & Rayburn 1985; Ping, McBride, & Breune 2006; Purvis Cooper, Burgoon, & Roter 2001; Shoham, Rose, & Kahle 1998; Smith & Vogt 1995).

The causal chain models consider two variables that are pertinent to attitude formation. First, both models include the positive and negative beliefs a person has about the behaviour and subjective norms, a measure of the perceived social reactions to the behaviour. In addition, the theory of planned behaviour (Ajzen, 1985) accounts for the perceived level of control over the factors that may influence the behaviour. These variables go beyond the dual processing models by specifying the variables people consider when making decisions about how to act.

However, the causal chain models also have their limitations. Like the dual processing models, these specific models do not account for the affect generated by the attitude object; nor do they consider the inter-related processing of cognition and affect. (Eklof, 2006)

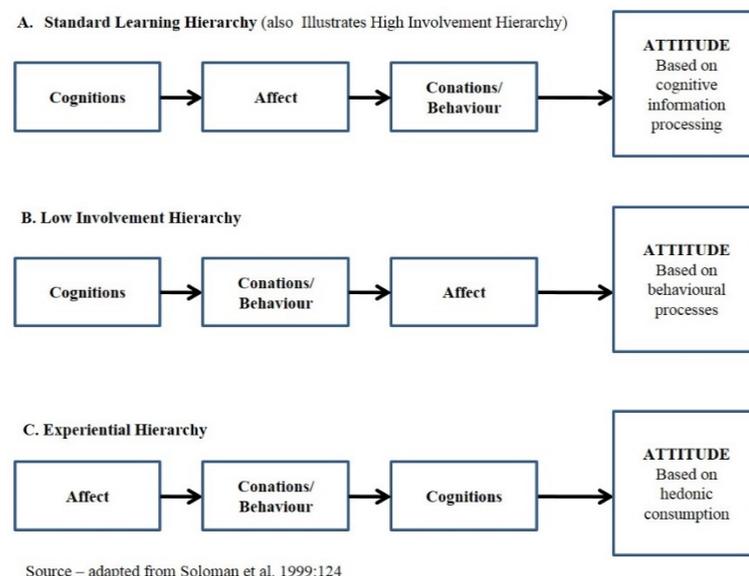
In the late 1960's when Fishbein and Ajzen (1975) conceptualised their attitude theories it was a time when traditional perspectives suggested that attitudes represented the rational aspects of human nature (Clore et al., 2001). Affect was largely seen as inconsequential to the decision making process (Zajonc, 1998). Today, more scholars are embracing the study of affect. Communication scholars, for example have led the way in examining the impact of emotion on message acceptance (Clore et al., 2001).

Based on the strengths and weaknesses of the major models presented, it is suggested that a model of COO product evaluation should consider (a) both cognitive and affective processing, (b) the processing of variables specific to the product and its COO, and (c) development of an intention to act or an actual act as the measurable outcome of the evaluation process. None of the models fully meet these criteria.

### 2.2.4.5.3 Hierarchy of Effects Models

The Hierarchy-of-Effects (HoE) models are an alternative type of tri-component (cognition, affect, conation) casual chain model that suggest the sequence by which the three components occur in information processing depends on the learning situation. Different types of hierarchy-models can be distinguished, that is, (1) the standard learning hierarchy, (2) the low-involvement hierarchy and (3) the experiential hierarchy. (Solomon et al., 1999), these are pictured in Figure 4 below.

**Figure 4: Product attitudes as hierarchies-of-effects**



Advocates of the HoE models cite the standard learning hierarchy as the process by which most product attitudes are constructed. Solomon et al (1999) suggest that in the standard learning sequence, the consumer’s product attitude is the outcome of an inter-related rational and emotional problem-solving process: “first, he or she forms beliefs about a product by accumulating knowledge (beliefs) regarding relevant attributes. Next, the consumer evaluates these beliefs and forms a feeling about the product (affect). [...] Finally, based on this evaluation, the consumer engages in a relevant behaviour, such as buying the product.” (Solomon et al. 1999: 124). This hierarchy-of-effects seems to occur most often in cases where consumers are confronted with high risk, complex products and has been adopted by many COO studies.

The low-involvement hierarchy differs from the standard learning hierarchy. As argued by Solomon et al., “in this sequence, the consumer initially does not have a strong preference for one brand over another, but instead acts on the basis of limited knowledge and then forms an evaluation only after the fact. The attitude is likely to come about through behavioural learning, where the consumer’s choice is reinforced by good or bad experiences with the product after purchase.” (Solomon et al. 1999: 124-125). The low involvement hierarchy is assumed to prevail in cases where consumers evaluate less important products.

Finally the experiential hierarchy-of-effects is said likely to occur when the product aims at delivering sensory pleasure instead of satisfying any utilitarian needs. The underlying rationale is that “[...] consumers act on the basis of their emotional reactions [...]. Although the factors of beliefs and behaviour are recognized as playing a part, a consumer’s overall evaluation of an attitude object is considered by many to be the core of an attitude.” (Solomon et al. 1999: 125).

Unfortunately, Solomon’s hierarchies appear to mix two conceptually different classifications that refer to 1) the degree of involvement in evaluative processing and 2) the product experiences sought. The degree of involvement is commonly distinguished by ‘high involvement’ and ‘low involvement’ processing. In Solomon’s models these are termed the ‘standard learning hierarchy’ and the “low involvement hierarchy”. A high level of involvement in the evaluation of a product occurs when the purchase is perceived to have a high personal importance and involves comparatively higher amounts of risk (Batra and Ray 1985, Zaichkowsky 1994, Bloch, Sherrel, and Ridgway 1986; Capon and Lutz 1983; Thorelli and Engledow 1980). In such situations consumers usually have higher expectations about a greater number of product attributes (Barber and Venkatraman 1986), and therefore use more criteria, search for more information and process relevant information in more detail. (Beatty and Scott 1987; Mitchell 1980; Chaiken 1986; Petty and Cacioppo 1981). Some examples of product evaluation that activates high involvement processing are television sets, washing machines and automobiles (Laurent and Kapferer 1985; Zaichkowsky 1985). In low-involvement situations, consumers do not have the time, resources, or motivation to engage in Extended Problem Solving (EPS) processes. Rather, they are passive recipients of product information and spend minimal time and effort in

choosing a brand (Hoyer 1984). Examples of low-involvement products are instant coffee, breakfast cereals, mouthwashes, and oils (Laurent and Kapferer 1985; Zaichkowsky 1985).

The second category relates to the type of experience sought from the product which are often distinguished by the terms 'hedonic' and 'utilitarian'. According to Addis and Holbrook (2001), each product is associated with a ratio of hedonic to utilitarian value, which can be used as a basic and fundamental descriptor of product-class characteristics.

Goods that are primarily hedonic are those that generate an affective, sensory consumption experience of aesthetic or sensual pleasure, fantasy, fun, and excitement. Examples of hedonic products include designer clothes, sports cars, and luxury watches (Hirschman and Holbrook 1982; LeClerc, Schmitt, and Dube 1994; Thakor and Pacheco 1997; Dhar and Klaus 2000).

According to Dhar and Klaus (2000), utilitarian goods are primarily functional products, the consumption of which is cognitively driven and accomplishes a functional or practical task. Examples of utilitarian products include microwaves, minivans, and personal computers. (Hirschman and Holbrook 1982; Strahilevitz and Myers 1998). Utilitarian products are judged on how well they function, and are described in terms of the functional benefits that they provide for consumers (LeClerc, Schmitt, and Dube 1994).

While Solomon addresses the degree of involvement with information processing via the standard learning and low involvement hierarchies, when it comes to evaluating the benefits sought from a consumption experience he proposes only the "experiential hierarchy" which describes hedonic processing and does not propose a model of utilitarian processing. It is the view of the author that it is necessary to keep the conceptual delineations of 'high involvement' and 'low involvement' and hedonic and utilitarian processes separate.

Moreover while there is little disagreement among researchers regarding the components of attitudes, there is little consensus regarding the order in which these components arise. This has been an area of intense debate concerning the hierarchy of effects. Zajonc contends that affective reactions usually, if not always, precede

cognitive processing (e.g., Moreland and Zajonc, 1977, 1979; Kunst-Wilson and Zajonc, 1980). Others persuasively argue that affect is post-cognitive (Mandler, 1982; Lazarus, 1981, 1982, 1984; Tsal, 1985).

Thus a sequential hierarchy in attitude formation towards consumption experiences will require a unique set of theoretical and measurement assumptions which has yet to be provided and may not be practically necessary.

As summarized by Peterson et al. (1986), 'from a practical perspective this distinction in the sequence of the two components of attitude formation is probably arbitrary' (p. 158). Peterson et al, further elaborates; "The question 'did the person think first or feel first' is not very meaningful. Individuals are always in a stream of thinking or feeling; therefore, it is irrelevant to say 'Are there any thoughts preceding an affect' or 'is there affect preceding cognition.' The important issue to be addressed is how affect and cognition interact to influence behaviour" (1986, p 158)

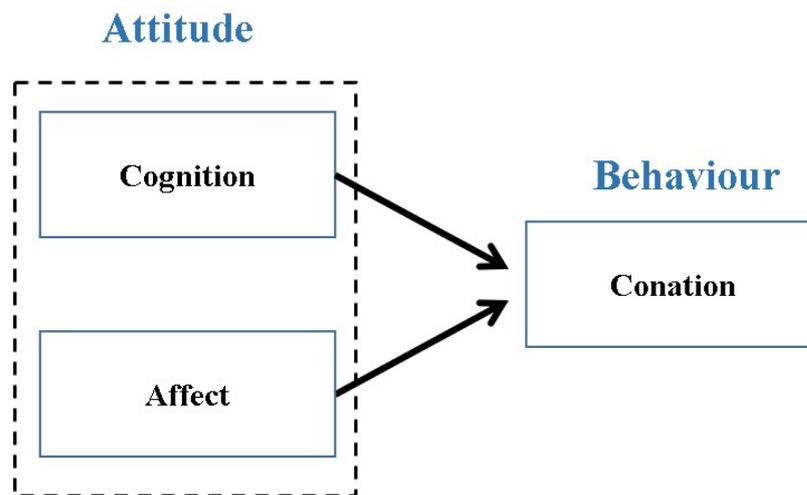
If it is accepted that, on a theoretical and managerial level, the real issue is one of degree of influence and not absolute order of response, then the notion of a sequential hierarchy of effects becomes irrelevant. By embracing the idea of 'degree of influence', the question concerning 'which comes first' is replaced by a question concerning how the two components can be considered in their influence on some evaluative criteria.

For example if it is possible to determine that in some situations, affect (cognition) has a greater degree of influence on consumer's attitude towards the object – say in the case of 'hedonic'(utilitarian) products, then this information is useful in determining the marketing and communications strategies for these products. In a recent COO study examining the relative influence of the components of attitude for different products from different source countries, Brijs (2006) found the following, "the impact of the country-image's affective component on product attitude is significant for beer but not for DVD players. Thus, the results seem to indicate that the formation of attitudes toward products differs as a function of product type. For utilitarian-oriented products, cognitive factors more explicitly drive attitude formation, whereas for hedonic-oriented products, the affective elements have greater importance" (2011, p 8)

### 2.2.4.7 The Two Component View

In light of the aforementioned drawbacks of the dual processing and casual chain models, attention turns to the two-component view of attitudes, according to which “attitudes are represented as two conceptually independent, yet empirically related, constructs: (a) an affective component [...] and (b) a cognitive or belief dimension” (Bagozzi and Burnkrant, 1979, p. 916). The two-component view is shown in figure 5 below.

**Figure 5 - The two-component view of attitude**



In this model, country images comprise both country beliefs and country affect which “may vary independently and may independently affect intentions and behaviour” (Liska, 1984, p. 66-7). Ajzen (2001) mentions several conditions under which separate or joint effects of affect and/ or cognition on conation occur. First, when beliefs and feelings towards an object are of opposite character, feelings tend to dominate (Lavine et al.,1998). If, on the other hand, cognitions and emotions are consistent with each other, both are expected to contribute strongly and about equally to behavioural intentions (Simons and Carey,1998).

Second, the tendency to base ones' conations on cognition or affect also depends on the particular person. For example, individuals identified as thinkers mainly rely on

their beliefs towards the object whereas for feelers the opposite is true (Haddock and Zanna, 1998).

Finally, conations towards hedonic objects rely more on affect than cognition, whereas conations toward functional objects rely more on cognitions than emotions (Batra and Ahtola, 1990; Kempf, 1999; Verlegh, 2001)

It is a simplified model of the influence of cognition and affect on attitude and by not specifying a sequential order in which the components are processed avoids the pitfalls of the hierarchy of effects models. Theorists like Bagozzi and Burnkrant (1979), Schlegel and DiTecco (1982), Zajonc and Markus (1982), and Engel, Blackwell, and Miniard (1995) apply this approach.

The two-component view is considered the most appropriate model from which to address the objectives of this study for the following reasons. Firstly, as it enables us to examine the latent structure of attitudes and the influence of cognition and affect on those attitudes it fits well with our objective to examine the relative strength of the cognitive and affective responses to product-country pairings and subsequently determine the relative influence of each upon the resulting COO attitude.

Secondly, this model has been widely used by research streams such as the social psychological literature and more recently has been adopted by several consumer behaviour theorists. (e.g., Baloglu and Brinberg 1997; Ekincy and Hosany 2006; Hosany, Ekincy, and Uysal 2006).

### **2.2.5 Conclusion**

If attitudes are significant influencers of behaviour, then knowledge of attitudes allows a more accurate prediction of behaviour. It also follows that if attitudes influence behaviour, then changing an attitude allows one to change or control behaviour. The practical implications of these possibilities are profound and account in part for the intense and long-standing interest in the topic. People come to hold positive attitudes towards objects they believe have good attributes and negative attitudes towards objects that they believe have bad attributes. A measure of an individual's attitude

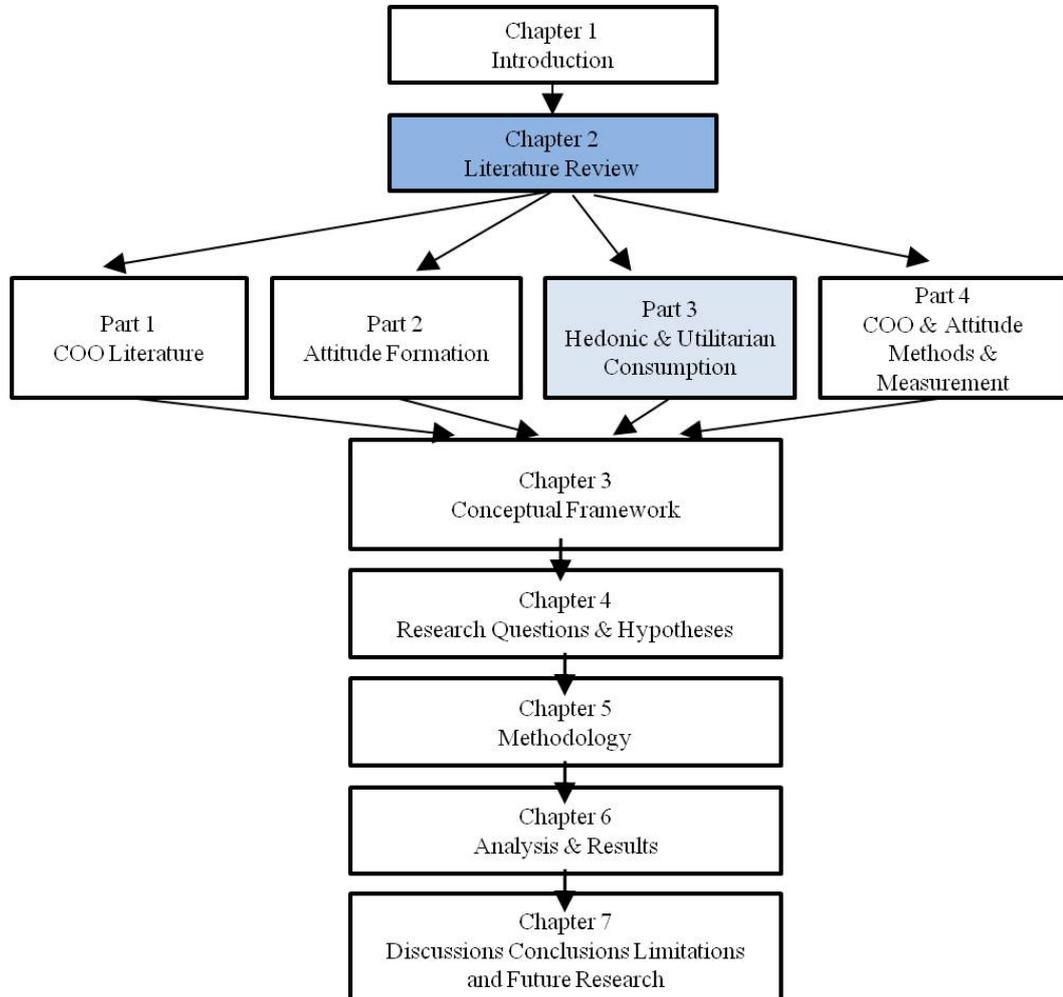
towards an object should therefore correlate with measures that sum the individual's evaluations of the positive and negative attributes of that object.

Psychological and consumer behavioural research has long fixed on the cognitive influence on attitude formation and have largely neglected the role of affect. There has been a long held perception that affective judgments are idiosyncratic and unstable (e.g., Cacioppo and Gardner 1995; Derbaix and Sjoberg 1994; Medvec, Madey, and Gilovich 1995). This has in turn led to difficulties in defining affective responses in research. (Holyoak and Gordon 1984). Finally, researchers have encountered considerable difficulties in finding empirical measurements of emotions. In recent years this position has been seriously questioned and affect has become a major focus of research in social and consumer psychology.

Recent research has found that attitudes can reflect an affective response to the object or behaviour in question that occurs spontaneously with little cognitive mediation (Zajonc, 2000). Individuals are often unable or unmotivated to engage in the cognitive activity required to assess the consequence of a behaviour. Some consumer decisions (e.g., whether to use condoms, to go on a cholesterol-free diet, or to buy a luxury car) involve a careful evaluation of the alternative consequences of the action. Most purchasing decisions, however, are made with very little deliberation at all, and based on affective reactions toward the product in question, particularly if participants are preoccupied with other thoughts (Shiv & Fedorikhin, 1999).

For the purposes of this study, attitudes are considered to be "evaluative summary judgments that can be derived from qualitatively different types of information" (Crites et al., 1994). According to this framework, attitudes consist of a cognitive component, which refers to beliefs about the attitude object (such as traits or attributes) and an affective component, which refers to feelings, moods, and emotions experienced in relation to an attitude object (Crites et al., 1994). A behavioural component (also known as a conative component) has also been identified as any actions that are derived from a given attitude, (e.g., donating blood as an indication of a positive attitude towards altruism). Because the behavioural component often encompasses both the attitude itself and the outcome of the attitude, it is necessary to separate this component in measurement.

## CHAPTER TWO – PART THREE



### **2.3 HEDONIC AND UTILITARIAN CONSUMPTION**

A theoretically-driven classification is the distinction between hedonic and utilitarian dimensions of product attitudes. According to Voss et al. (2003), the hedonic dimension “results from the sensations derived from the experience of using products,” while the utilitarian dimension “is derived from functions performed by products.”

Utilitarian products exemplify a “work mentality” that reflects the economic and functional benefits they provide, while hedonic products mirror an experiential view relating to the affective responses elicited by a product (Hirschman and Holbrook, 1982). Hedonic products (e.g. fashion items, fragrances, leisure travel) are typically evaluated in terms of how much pleasure they provide (a subjective and more affective judgment), whereas utilitarian products (e.g. appliances, computers) are judged more in terms of their functionality (an objective and more cognitive judgment).

Although the consumption of many goods involves both dimensions to varying degrees, there is little uncertainty that consumers characterize some products as primarily hedonic and others as primarily utilitarian. Dhar and Wertenbroch (2000) defined hedonic goods as “ones whose consumption is primarily characterized by an affective experience, whereas the consumption of utilitarian goods is more cognitively driven.” Goods that are considered to be consumed for hedonic purposes provide for experiential consumption, fun, pleasure, and excitement. Flowers, designer clothes, music, sports cars, luxury watches, and chocolate fall in this category. Utilitarian products on the other hand are related to tangible, objective features that offer functional benefits to consumers, and are expected to have a greater ability to perform everyday functions in the life of a consumer (Chaudhuri and Holbrook 2002). They are judged on how well they function, and are described in terms of the functional benefits that they provide for consumers (LeClerc, Schmitt, and Dube 1994). Examples of utilitarian goods are microwaves, detergents, minivans, home security systems, and computer accessories (Dhar and Wertenbroch 2000; Hirschman and Holbrook 1982).

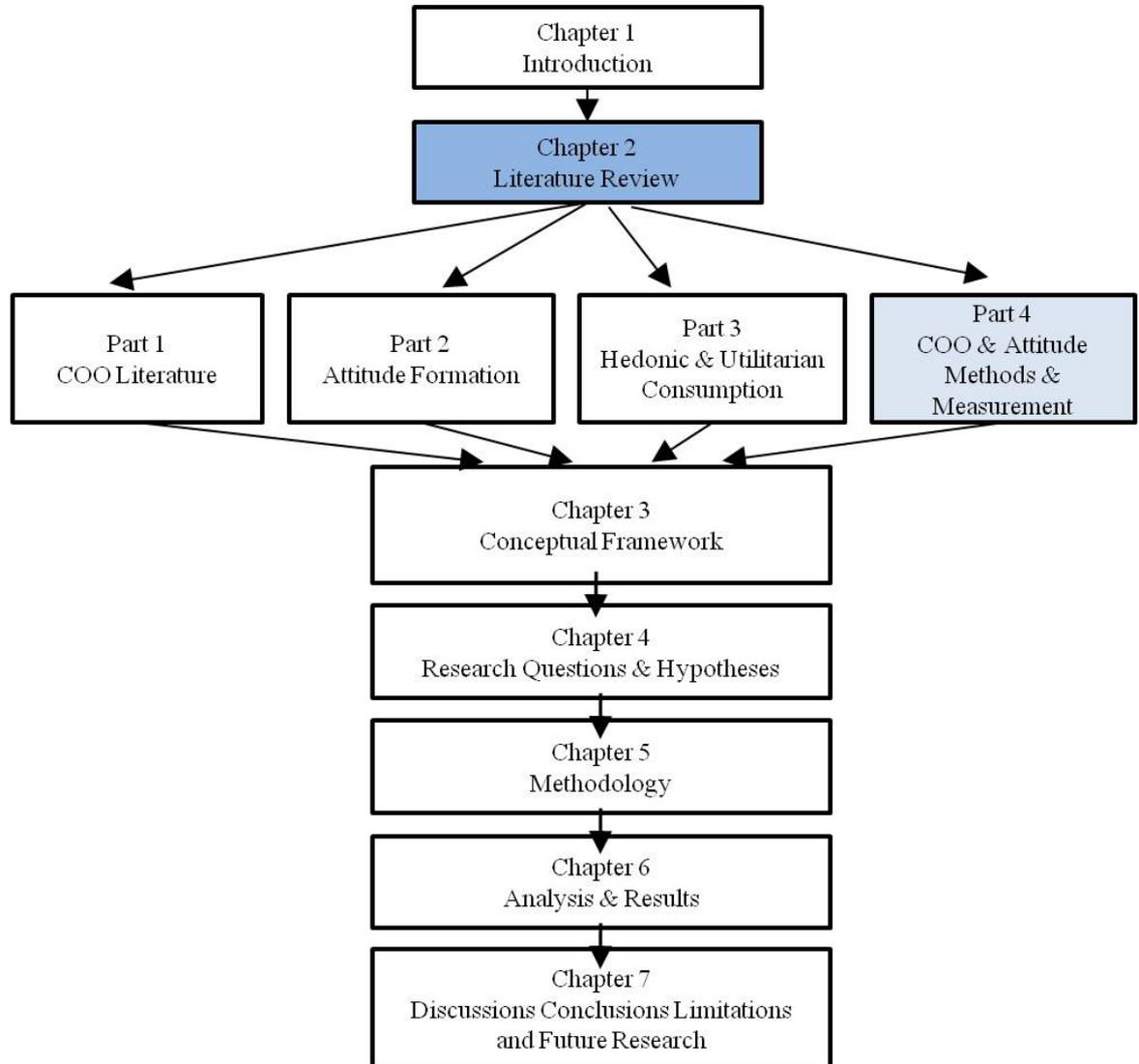
Affective responses are more likely to influence product evaluations that are based on hedonic rather on utilitarian criteria (Yeung and Wyer 2004).

An empirical study by Mano and Oliver (1993) confirmed that products that rated high on a scale measuring hedonic attributes were closer to the consumer's affective experience, as measured by both a "pleasantness" and "positive affect" scale, than products that rated high on a utilitarian attributes scale.

Research has demonstrated that brand name, as one of the most important extrinsic cues, is important in helping consumers to elicit positive, affective, and hedonic feelings about a product. According to Leclerc et al. (1994) and Thakor and Pacheco (1997), when products are associated with a foreign brand name, for instance, a French or Italian brand name, they are perceived to be hedonic products, and thus the degree of hedonism that can be elicited from them will be enhanced. This can be attributed to the stereotyping effect whereby a brand name is associated with a country of origin or brand of origin. As France and Italy are generally perceived to have a hedonic image, for example, this image is also conferred on the product as a result of the brand name.

By contrast Mano and Oliver's (1993) study found that the utilitarian scale was not related to affect, confirming the hypothesis that utilitarian product evaluation is more cognitive and functional in nature, adding support to the notion that hedonic product evaluation is mostly affective while utilitarian evaluation is mostly cognitive. This presents significant implications for the current study which aims to further validate the affective - hedonic link and cognitive - utilitarian link of Mano & Olover (1993), Chattalas (2006) and Verleigh (1999)

## CHAPTER TWO – PART FOUR



## **2.4 COO & ATTITUDE, METHODS & MEASUREMENT**

### **2.4.1 Variables**

Consumers' attitudes and product evaluation are the most commonly used variables in COO studies. Several researchers have developed attitude indicator items regarding consumers' product perceptions. For example, Gaedeke (1973) employed a five-point Likert-type quality rating scale, ranging from very good quality to very bad quality. Nagashima (1970) developed a seven-point semantic differential scale on consumers' quality evaluation, ranging from good to bad. Also, the country-of-origin effect examinations were extended from only consumers' evaluation of quality to an evaluation of every aspect of products, including products' workmanship, inventiveness, durability, reliability, availability of size and model, and services (Okechuku & Onyemah, 1999; Wall & Liefeld, 1991; White, 1979).

### **2.4.2 Measurement**

A methodological weakness in the country of origin literature is its reliance on poorly conceptualised and tested psychometric measures. The reliability ratings of scales used in country of origin studies, most of which are simple variations of the 21-item scale introduced by Nagashima (1970), are generally low. The Nagashima scale was never validated through the application of a psychometrically rigorous scale-development methodology. When Jaffe and Nebenzahl (1984) tested the Nagashima scale, they found that the scale did not provide the same dimensions assumed by its author. In addition, it yielded low coefficient-alpha values. Furthermore, from a conceptual perspective the scale and its variations do not clearly distinguish whether it is country image or country of origin product image that is being measured, thus confounding the two constructs. An accurate scale of country image needs to clearly specify the construct's domain and to be exact concerning what is included as well as what is excluded in the definition. If country image is being measured, the scale items should capture country equity-related (and not product-related) attributes.

In response to this issue, Knight et al. (2003) developed and validated a new scale to measure country of origin image. Using cross-cultural data from Japan, Turkey and the USA, the authors developed a ten-item, seven-point Likert scale that includes three items related to attitudes towards a country's people (the people of the country are "well-educated", "friendly toward the USA in international affairs" and "the technical skills of work force are high").

### **2.4.3 Attitude Scales**

During the late 1920s and early 1930s a number of attitude-scaling methods were developed that are still in common use today, and more recently a few additional methods have been developed.

In 1932, Likert proposed a simple method of attitude-scale construction, which measures the extent or intensity of the respondent's agreement with each item, rather than simply obtaining a "yes-no" response. This method uses only items that are clearly positive or negative toward the attitude object.

A great strength of the Likert method is its use of item analysis techniques to "purify" the scale by keeping only the best items from the initial item pool. A common way of accomplishing this is to compare the group of respondents scoring highest on the total pool of items (say, the top 25%) with the group scoring lowest (the bottom 25%), thus eliminating the middle group, whose attitudes may be less clear, less consistent, less strongly held, and less well-informed. If an item does not discriminate significantly between these groups—that is, does not have significantly different mean scores for the top and bottom groups—it is clear that it is measuring some other dimension than the general attitude involved in the scale.

#### **2.4.4 Osgood's Semantic Differential**

In contrast to the Likert method, Osgood's Semantic Differential is actually a scale in itself, that can be applied to any attitude object. This has the great advantage that researchers do not have to construct and try out a new scale every time they want to study a new topic.

The Semantic Differential does not consist of opinion statements about the attitude object. Instead it uses a series of 7-point scales with two opposing adjectives at the ends of each scale (e.g., "good" and "bad"). Respondents check the point on each scale that corresponds to their impressions of, or feelings about, the object or concept being rated.

Osgood concluded that there are three basic dimensions on which people make semantic judgments, (a) the evaluative dimension, involving adjectives such as good-bad, beautiful-ugly, kind-cruel, pleasant-unpleasant, and fair-unfair; (b) the potency dimension, marked by adjectives such as strong-weak, large-small, and heavy-light; and (c) the activity dimension, identified by adjectives such as active-passive, hot-cold, and fast-slow.

The semantic differential method of attitude measurement as employed by Crites et al. (1994) appears to be a useful choice for distinguishing between affect and cognition. For the purposes of this study, it is possible to use adjective lists and semantic differential scales to mirror the methods employed by Crites et al. (1994), a method which will also allow ambivalent respondents the option of rating attitude objects as simultaneously good and bad, for example, rather than selecting a single option from a bipolar good-bad semantic differential.

In their initial studies, Crites et al. (1994) had participants rate a series of attitude objects such as dogs, microwave ovens, beer, television etc. The affective component was assessed with the question "What position best describes your feelings of this object?" on a bipolar continuum containing such affective descriptors as love/hateful, delighted/sad and happy/annoyed. The cognitive component was assessed with the question "What position best describes the traits or characteristics of this object?" on

a bipolar continuum containing such cognitive descriptors as useful/useless, wise/foolish, beneficial/harmful and perfect/imperfect. By measuring attitudes in this way, Crites et al. (1994) set the stage for future studies that examine individual differences in how people value affect vs. cognition in their overall attitudes.

Separate ratings for affective and cognitive components of attitudes can be compared with an overall global attitude rating, in order to determine whether affect or cognition contributes more to the general attitude. As such, when both affective and cognitive ratings are used to predict the overall attitude in a regression equation, the relative magnitude of the beta value reflects the extent to which an attitude is affectively based or cognitively-based.

#### **2.4.5 Reliability & Validity**

Two essential characteristics for attitude scales, as for all other types of measurement: are reliability and validity. Reliability means consistency of measurement. Two kinds of reliability are; internal consistency, showing the amount of agreement between different items intended to assess the same concept; and stability, indicating the consistency of scores on the same scale at two different points in time (Cronbach, 1984). Both kinds are generally reported in terms of correlation coefficients. Internal consistency measures include split-half coefficients, alternate-form agreement, and the alpha coefficient of internal homogeneity of items (Cronbach, 1984). Stability is usually reported as test-retest correlations for the same group of subjects taking the same test or other measurement at two points in time.

A common source of unreliability in multi-item attitude scales is that items are not "pure" measures of the characteristic that one is attempting to measure, and thus they are often only weakly or moderately correlated with each other. The customary way to solve this problem is to add more items of the same sort to the scale, as a longer scale will be more reliable than a shorter one (Cronbach, 1984; Thompson 2002).

Validity refers to accuracy of measurement. Measuring instruments can be reliable without being valid—for example, a bathroom scale that consistently gives too heavy readings. However, they cannot be valid if they are not reliable—for instance, the many different readings given by an elastic tape measure would almost all (or all) be wrong, and thus the tape measure would not be a valid instrument. The validity of a measuring instrument is often determined by comparing its results with a criterion—an accepted, standardized measure of the same characteristic.

In psychological measurement, a criterion may be a well-established instrument, as in using the Stanford-Binet intelligence test as a standard of comparison for the results of a newly devised IQ test. However, in many cases there may be no well-established criterion instrument for the characteristic being measured, as when research begins on a new topic that has not been measured before. This is frequently true in the area of attitudes, and it necessitates construct validation, which involves computing a network of relationships between the new measure and other relevant characteristics and comparing the obtained correlations with those expected on a theoretical basis. If there is generally good correspondence, that constitutes support for the instrument's validity (Cook and Campbell, 1979; Cronbach, 1984 and Bickman, 2000).

The steps that respondents have to take to answer an attitude question can create problems of validity. Respondents must first interpret the attitude question, determining what attitude the question is about. They then retrieve relevant beliefs and feelings from their memory. Next they apply these beliefs and feelings in rendering the appropriate judgment. Finally, they use this judgment to select a response. (Tourangeau & Rasinski, 1988, p. 299) Problems can occur at each of these stages, which may reduce the validity of respondents' answers. Also, the fact that people sometimes construct attitude responses on the spot without any prior consideration of the issue, rather than retrieving a previously formed attitude from their memory, would sharply decrease both the reliability and validity of such attitude statements.

The wording of attitude questions is one of the main factors affecting the validity of attitude scales. Response sets are systematic ways of answering that are not directly related to the question content, but which represent typical behavioural characteristics of the respondents.

Several types of response sets are now mentioned and some possible solutions to them are discussed. When respondents are unmotivated or careless, their answers will be inconsistent from moment to moment or from one testing session to another. Such a situation will reduce the questionnaire's reliability, and unreliable questionnaires are necessarily low in validity. Therefore, the response sheets are usually scanned visually, and the data are either discarded or analysed separately for respondents who (a) omit answers to many items, (b) answer almost all items in the same way, or (c) show systematic patterns of responding (for example, a, b, c, d, a, b, c, d).

The social desirability response set is the tendency to give the most socially acceptable answer to a question (Krosnick,1999). Currently none of the available methods for combating social desirability responding is entirely satisfactory.

The techniques that are most often used are as follows: (a) selecting innocuous items, for which social desirability does not appear to be an issue; (b) providing anonymity for the respondents; (c) stating that there are no right or wrong answers, because the items cover matters of opinion rather than fact; (d) urging respondents to answer honestly and stressing that it is their own opinions that are desired; (e) use of the forced-choice technique of item construction, previously discussed; and (f) the use of personality scales to identify respondents who are particularly high or low in social desirability responding, and either excluding these participants from the analyses or statistically removing the variance stemming from their individual differences in social desirability (Krosnick,1999).

An extremity response set can occur only on items that have more than two alternative answers. For example, on a Likert-type scale having responses scored from +3 to —3, an extremity response set would be demonstrated by a respondent who picked mostly +3 and/or —3 answers. Its opposite, a midrange response set, would be shown by a large number of +1 and/or —1 answers. Their effects can be reduced if equal numbers of items on a scale are keyed in the positive and negative directions, for then the +3 answers of an extreme responder will tend to counterbalance his or her —3 answers (and similarly for the +1 and —1 answers of a midrange responder). Another possible remedy is to eliminate the extremity response set altogether by use of items with only two alternatives (Yes-No or Agree-Disagree). (Krosnick, 1999)

#### **2.4.6 Country and Product Image Disentanglement**

As already mentioned, Country of origin (COO) studies have typically focused on product attribute ratings. To illustrate the typical COO research focus on product attributes, take the examination of consumer evaluation of a German car. The research would examine consumer perceptions of product related attributes of the car and may uncover key evaluative ratings for criteria such as “well made”, “technologically advanced” and “reliable”.

However, no examination is made of the consumer’s attitudes towards Germany the country and its’ people which may in fact influence attitudes towards specific products. Taking another example a consumer may perceive Japanese consumer electronics to be of high quality, have many features and be developed with leading edge technology. But why are these perceptions generated? Quite likely a deeper examination would uncover underlying impressions of Japan as a highly developed economy, with well-educated and highly trained workers and sophisticated manufacturing processes. These attitudes have congruency with the desired attributes of complex utilitarian products, hence these may influence positive attitudes towards Japanese consumer electronic products.

In some situations, knowledge of one's country/region image becomes even more apparent. Take the example of a firm wishing to export its' products to a new market. In this case the firm's target consumers have no prior experience with products from the firm's country. Here it is especially important to establish an accurate audit of the attributes the target consumer's associate with the country in order to develop an effective positioning strategy.

The evolution of Tasmania's reputation as a high quality producer of gourmet foods is an example of this process whereby consumer salient perceptions of the country (in this case state image attributes) have been successfully leveraged to build an industry sector. As Tasmania's tourism industry grew in the 1980's the state began to be associated with specific attributes such as a beautiful natural landscape, a temperate climate and a rich history of agriculture (Tasmanian Tourist Board Brand Strategy, 2004). Several Tasmanian food producers noticed these associations and knowing these are congruent with the production of high quality gourmet foods, began to link their products with these perceived strengths. Throughout the 1990's the Tasmanian gourmet food sector grew rapidly on the back of the state's reputation and perceived attributes as a tourism destination. (Tasmanian Tourist Board Brand Image Audit, 2007).

Noting this tendency for COO researchers to focus on the evaluation of COO product attributes, to the exclusion of country attributes, Papadopoulos et al. (1988) and others began to separate country image as a dimension.

This distinction opened the exploration of the relationships between country image, product beliefs and product evaluations (Heslop et al., 1993). Han and Terpstra (1988) also attempted to disentangle country and product image for the purpose of comparing the influence of source country-of-origin and product brand on 150 U.S. consumer evaluations of uni-national and bi-national products.

The authors considered foreign brands that are foreign made and U.S. made, and U.S. brands that are foreign made and U.S. made, hypothesising that not all consumers perceive all products from one country as the same. For comparison, they selected two products, cars and TVs, and four countries, the U.S., Japan, Germany and Korea, and measured five image dimensions: technical advancement, prestige, service, workmanship and economy.

The authors found that country rankings were not consistent across product dimensions (e.g. Germany high on prestige, low on economy), yet rankings of particular dimensions did travel across products (e.g. prestige high for German cars and TVs), suggesting that distinctive country image dimensions do exist. In fact, the authors found the influence of source country to be greater than that of brand name.

Roth and Romeo (1992) examined the relationship between country and product by means of a survey of 368 graduate students from three countries (Ireland, Mexico and the U.S.). Respondents evaluated six product categories from ten countries, on four image dimensions (innovativeness, design, prestige, and workmanship) for product and for country. The resulting degrees of product-country match were compared to respondents' willingness to purchase the products from each of the countries evaluated. Results suggested that a strong product-country match can act as predictor of willingness to buy foreign products. In other words, if a country has a positive image that is important to a product, consumers are more willing to buy that product from the country.

Thus it can be seen that most COO studies take attitudes towards COO products as 'fait accompli' without seeking to understand the cultural, economic, political, geographic, social, technological and regulatory factors that form the catalyst for product perceptions. Thus the findings from the traditional approach give little indication of the underlying reasons why a country develops a strong reputation for certain product categories. (Laroche et al, 2005).

The reason for these omissions may be related to the fact that many studies on COO effects traditionally saw the main role of COO cues as limited to indicating a product's quality. Consequently, only country-specific aspects deemed appropriate as quality indicators were included in research. Roth and Romeo continue to strongly advocate this approach, stating that "what consumers know about a country's manufacturing ability, flair for style and design, and technological innovativeness, seems much more congruent with product perception formation than do other, less production and marketing-oriented factors." (Roth and Romeo 1992: 480).

O'Shaughnessy and O'Shaughnessy (2000) counter this view and insist a country's general environmental attributes pertain to the very essence of country images and therefore cannot be excluded from research. As they put it: "the image of other nations is first and foremost an image linked to that nation's people and culture. We think about a nation in terms of the people and their culture rather than think about the nation in the abstract, divorced from people and culture." (O'Shaughnessy and O'Shaughnessy 2000: 57).

Papadopoulos, Heslop and Bamossy 1990, and Papadopoulos, Marshall and Heslop 1988 added depth to the assumed role of a country's environmental attributes and proposed that perceptions of the country of origin comprise: 1) a cognitive component, including beliefs about the country's industrial and technological development, 2) an affective component, describing the affective response to the country's people and 3) a conative component, reflecting the desired level of interaction with the country.

A second argument supporting the inclusion of a country's environmental attributes into COO research is advanced by the "more anthropological" stream of research within the COO field. Batra et al. (2000). It contains studies that connect to the experiential, hedonic, symbolic, and social approaches towards consumption. These support the notion that consumption is more than the search for functional quality. Instead, consumers also seek experiences, whether these are sensorial, imaginative, symbolic or emotional in nature.

The debate surrounding the inclusion, or not of country 'environmental' attributes alongside product specific features in COO research continues. However recently an increasing number of COO researchers have turned to the broader issue of the image of the country itself and how this image contributes to attitudes towards the products from that country (Hsieh et al, 2004). It is these more general attributes associated with the country itself which have been judged to have a significant influence on a consumer's cognitive and affective responses towards a product's COO (Hsieh et al., 2004; Knight and Calantone, 2000).

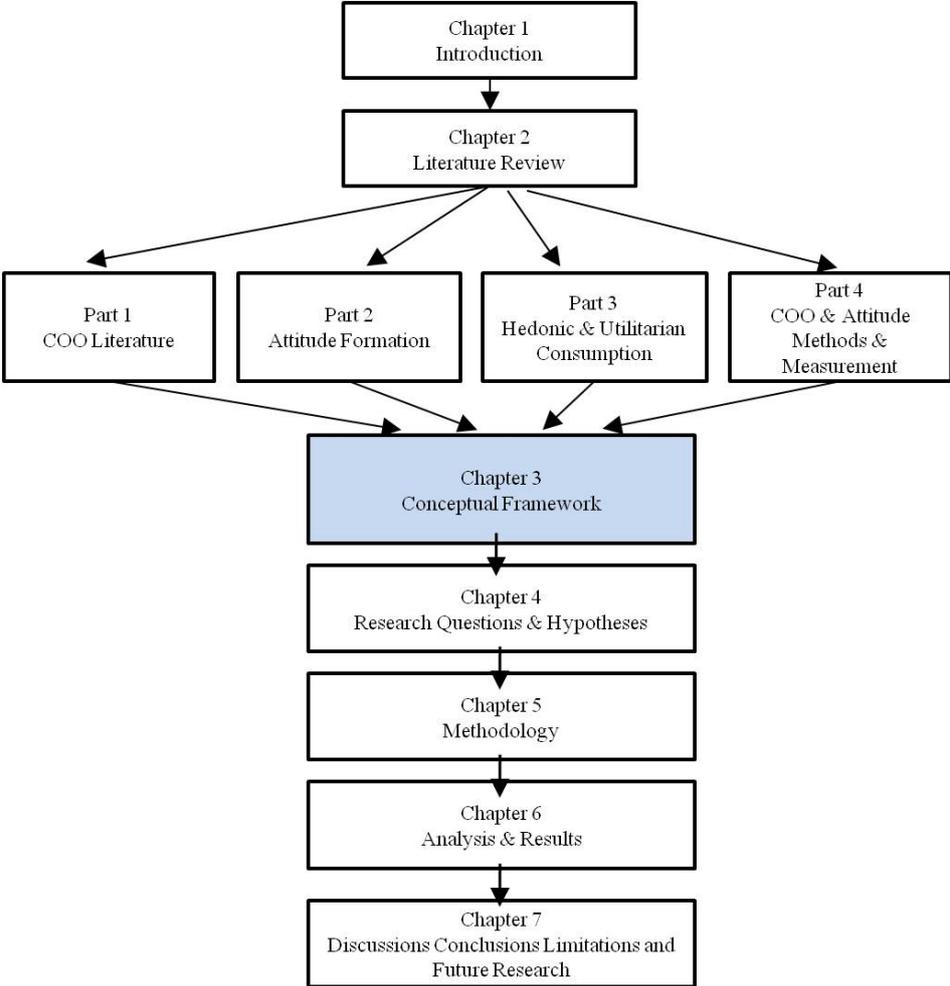
To avoid misunderstandings, several scholars propose using product image and country-image as specific labels for different sets of country related impressions. (Häubl, 1996; Martin and Eroglu, 1993; Thakor and Kohli, 1996). In this conceptualisation, country-image represents everything a person associates with the country itself and its inhabitants (not its products). The associations in this 'country image' network can be formed for example through travel, personal contacts, education, and media reports and may include impressions of a country's economic development, technological progress, culture, landscape, people, history. Product image on the other hand describes "the specific product-related evaluations of a country's products including innovativeness, design, prestige, or workmanship (Roth and Romeo 1992, p. 480). Note this conceptualisation does not describe the specific impressions and individual may hold of specific product types (e.g. impressions of German cars), but rather all products. For example an impression that "Japanese products are reliable" would be an example of product image at work. Together the country image and product image components make the product-country image and enable a comprehensive representation of an individual's cognitive evaluations of a country.

In our desire to examine the totality of COO attitudes the inclusion of a country's environmental attributes seems necessary. Incorporating these aspects of country image are promising approaches towards a better understanding of COO effects.

#### **2.4.7 Next Steps**

Based on these critical reflections, a key objective is to design a theoretical model that captures attitudes towards COO effects in their full complexity. Starting with the development of a comprehensive product country image concept; special attention will be given to the inclusion of (1) cognitions about the more general environmental attributes of the product's COO, as well as country-specific (2) affects and (3) conations.

**CHAPTER THREE – CONCEPTUAL FRAMEWORK**

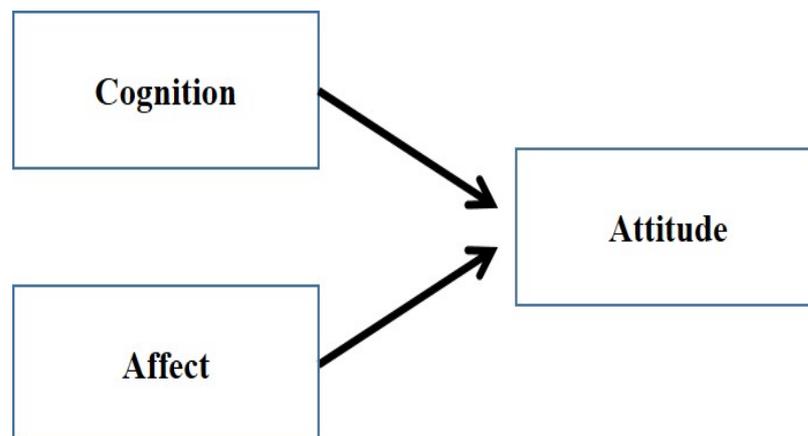


Earlier in the literature review various models that explain the process of attitude formation were discussed. Each model was examined with reference to its ability to incorporate and measure the relative influence of affect and cognition on the make up of COO attitudes. Of the models examined, it was determined that the dual processing and casual chain models each possessed drawbacks in this regard.

By contrast the two-component model of attitude structure which is a simplified model of the influence of cognition and affect on conations might overcome some of the disadvantages inherent in other models. The two-component view is deemed most suitable as it enables the determination of the relative importance of cognition and affect in attitude structure, but does not try to specify the sequence at which these inputs take place (which is empirically difficult) and it is a model that has been widely used by research streams such as social psychology and consumer behaviour. (e.g., Baloglu and Brinberg 1997; Cunningham and Zelazo, 2007; Ekincy and Hosany 2006; Hosany, Ekincy, and Uysal 2006).

In figure 6 below the two-component view is shown once more

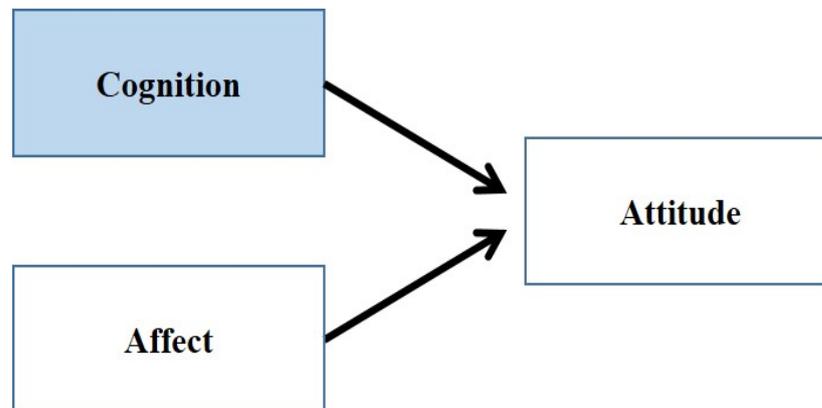
**Figure 6 - Two component view**



### 3.1 Operationalising the Two Component Model – 1. Country Cognitions/Beliefs

The application of the cognitive component of the two-component view is detailed first.

**Figure 7 – Two Component View – Cognitive Focus**



The cognitive component of COO attitudes has to do with knowledge. It represents a complex network containing everything a consumer knows (or thinks he/she knows) about the country (as well as its people and its products) he is confronted with. In other words, the cognitive component of COO attitudes holds the consumer's "beliefs" about the country its people and its products (Verleigh, 1999).

The information sources that consumers use to form beliefs about countries are many and complex, including general knowledge about countries picked up everywhere from school geography classes, to the internet and TV documentaries, friends and co-workers, to direct experiences from visits to the country(Heslop and Papadopoulos, 1993).

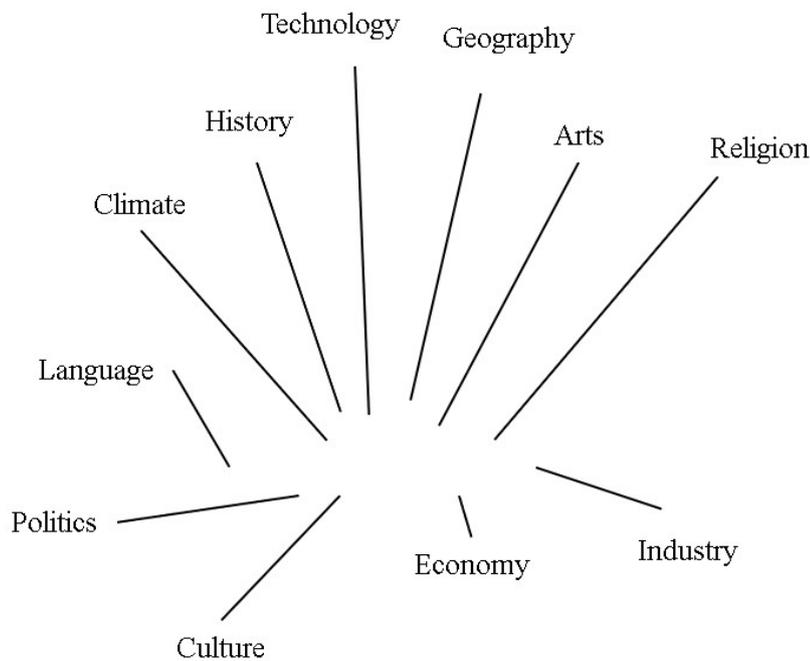
The focus now turns to the specific items of consumers' country related beliefs that will be measured in this study. Morello states, with regard to the conceptualisation of COO attitudes "stereotypical views cover the entire range of objects from products to geographic characteristics and religion." (Morello 1993: 298). Morello and Boerema (1999), analysed Dutch respondents' images of foreign countries. Subjects were asked for their thoughts when hearing the name of a particular country. The result was a

diverse variety of country related associations. Respondent's thoughts included certain products, companies, physical and personal characteristics of the inhabitants, language, movie stars, politicians, cities, tourism attractions, technological and industrial infrastructure, historical monuments etc.

Graby (1993) also studied the content and structure of country beliefs and distinguished the following content-related dimensions: physical properties (i.e., geography, resources, demographics, economic performance), cultural properties (i.e., history, culture, arts) and items symbolising "the nation's personality" (i.e., national flag, celebrities, monuments, culture and other visual symbols). Verlegh (2001) surveyed the literature on national stereotyping and placed the set of items he encountered into three categories labelled "socio-economic" (economic performance, workforce development and technology) and "geographic" (climate, natural beauty,

Askegaard and Ger (1997) drew mind maps of what Turkish and German consumers associated with Denmark.

**Figure 8: Turkish and German consumers cognitive associations with Denmark**



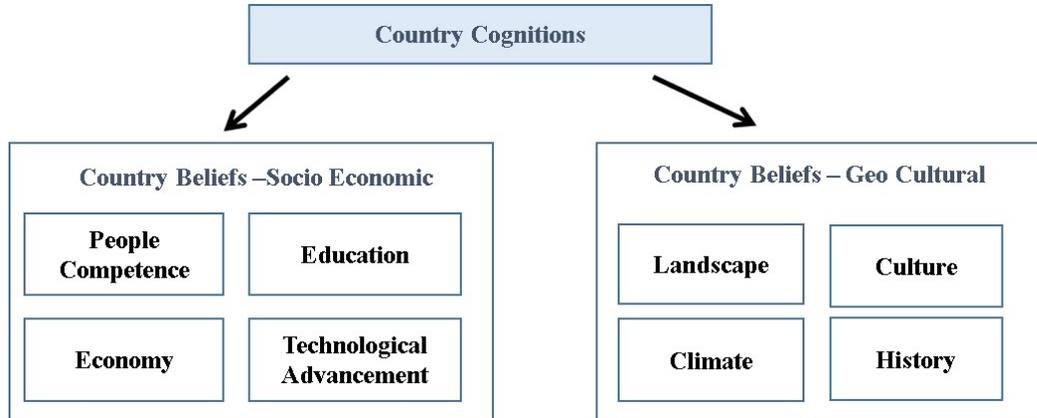
Source - adapted from Askegaard and Ger, 1997;

Other studies include Baker and Ballington (2002) as well as O’Donohoe (1999) for instance focussed on typical features of Scotland, while Kleppe et al. (2002) were occupied with the perception of Norway.

As discussed above a country’s climate, culture, landscape and even history have been found to influence the intention to buy hedonic products such as food and drink (van Ittersum, Candel, and Meulenberg 2003), while beliefs about the country’s economy, people and education have been found to influence complex utilitarian products such as consumer electronics.

For the purpose of this study we have divided these country cognitions into two groups- geo cultural country beliefs and socio-economic country beliefs. These two sub-sets of country beliefs are shown in figure 9 below, the specific variables falling within each sub-set will be explained in depth in the following section.

**Figure 9- Country beliefs - geo-cultural and socio economic**



Taking the prior discussion into account, the present study will focus on the following eight country-specific environmental attributes: (1) technological advancement (2) people competence (3) education (4) economy (5) landscape (6) climate (7) culture and (8) history. The first four of these are termed socio-economic beliefs while the second four are termed geo-cultural beliefs. These attributes are chosen because as will be there is a large amount of empirical data in support of the fact that they are potential determinants of consumers’ attitudinal dispositions towards products (Verlegh, 1999).

Each of these attributes are described in detail below

## **(A) Socio Economic Beliefs**

### **(1) Technological Advancement**

In the case of complex, high involvement products such as consumer electronics and computing products the perceived level of a country's technological advancement, logically carries importance in the consumer choice process. This variable carries little importance though for food and beverage products and some researchers have even hypothesised that the two work against each other (Verlegh, 1999).

In fact, with many food product choices a country or locations image strength on attributes such as unspoilt, rustic, leisurely even old-fashioned can provide positive connotations for these products (Dineh, 2003).

### **(2) People competence**

Consumers also base their evaluation of foreign-sourced products on their perception of the sourcing countries' inhabitants (e.g., Schooler 1965). Verlegh (2001) believes that consumers consider the competence and creativity of a particular country's people when they have to evaluate a product coming from that country. Chattalas notes that many consumers hold the view that Japanese workers are highly competent. Several other researchers argue that, consumers may also use their perception of a people's (overall or collective) personality and character as an evaluative criterion for product judgement (e.g., Papadopoulos et al. 1990; Parameswaran and Pisharodi 1994; Sullivan Mort and Han s.d.; Yaprak and Parameswaran 1986).

### **(3) Education**

Perceptions of how well or otherwise the people of a country are educated is another environmental factor that has a bearing on the perceptions of the products that country produces (Brijs, 2006, Chattalas, 2005). Chattalas (2005) surmises the effect in relation to the stereotypes consumers form of a country and its people and perceived education levels are linked to perceived economic strength of the country. He also notes that education and the perceived competence of a country's workforce are also related. For

example, many people hold stereotypes of Japanese people to be "studious" people for whom educational achievement is very important. Correspondingly Japanese workers are often perceived to be highly competent and conscientious.

More recently the stereotype of Japanese studiousness has broadened to include other North East Asian peoples, such as Koreans and Japanese as witnessed by the term and "Tiger Mum's" named after the book "Battle Hymn of the Tiger Mother" written by Princeton professor and author Amy Chua (2011).

The term "Tiger Mum's" has come to symbolise the perceived widening gap between Western and Eastern education achievement levels (O'Brien, 2011).

Chattalas (2005) believes high ratings for both attributes is no mistake and each reinforces the other. Similarly education, workforce competence and even perceptions of technological advancement reinforce each other and together contribute to overall perceptions of a country's economic standing. For the purposes of this study these variables are termed "socio-economic" country beliefs.

#### **(4) Economy**

Finally of the socio-economic variables of importance to this study, perceptions of a country's economic standing act as halo that encapsulates the previously mentioned variables of technological advancement, education, people competence and political systems.

Several COO researchers (Wang and Lamb 1980, 1983, Bilkey and Nes 1982) have demonstrated how consumers use a country's level of economic development to evaluate foreign sourced products. A common tendency is for consumers to evaluate products from More Developed Countries (MDCs) more positively than products coming from Less Developed Countries (LDCs). Thus, a country's degree of economic development creates a hierarchy of bias (Bilkey and Nes 1982); and people tend to prefer products made in MDCs, because they believe such countries have more skills, expertise and means at their disposition to produce high quality products (Ahmed et al, 1994).

As a result products from MDCs, especially in the case of complex products are seen by the consumer to carry less risk if chosen than those of LDCs. Alden (1993) further demonstrated how this bias could apply not only to complex high involvement products, but for certain low involvement goods especially in the categories of personal grooming and health such as toothpaste as well. In sum, a country's high degree of economic/industrial development influences consumers' product evaluation due to the fact that it moderates consumers' risk perception.

## **(B) Geo Cultural Beliefs**

### **(1) Landscape**

Hopkins (1998) argues that images of a country's landscape carry a large variety of symbolic meanings and imagery with them which make them interesting tools for marketers:

“Place is both a context for consumption and a consumable entity in itself (Ashworth and Voogd, 1994). It is the meanings, values, experiences and identities attributed to a place by the promoter that are marketed in the form of advertisements. [...] Selling images is not unique to the tourism industry; it is ubiquitous in contemporary Western society. Social life is saturated by media and advertising; we are an image-driven culture and we consume signs: consumption is symbolic as well as functional.” (Hopkins 1998: 65-81)

“Together, these codes and myths identified in the slogans and logos convey images that combine to create place myths of a symbolic countryside. What emerges is a place where the ‘natural environment’ is a central and highly valued characteristic. References to sensational outdoor experiences, spectacular landscapes and idyllic settings are conveyed many times over. The past is also held in high esteem, with slogans and logos repeatedly stressing ‘heritage’ sites, historical experiences and crafted goods. And finally, the myth of countryside as ‘pastoral retreat’, a place to escape one’s own urban world of work, responsibility and routine, and adopt a simpler, more natural, ‘rustic’ way of life, if only temporarily.” (Hopkins 1998: 65-81).

Thus, a country's landscape might be an effective tool for marketers in their effort to stimulate consumers' fantasy and imagination. When products are associated with this cue, they become charged with strong symbolic connotations. As argued by Verlegh and Steenkamp (1999), such country impressions can function as "image attributes", while they transfer their symbolic meanings to the product. According to Morello, countrysides can "[...] serve as symbols for instant communication.

They immediately trigger all kinds of associations, and, insofar as marketers are concerned, they can enrich (or harm) a brand's perceived image." (Morello 1993: 287).

Verlegh (2001) identified landscape as a geographical component of importance when studying consumers' perception of foreign-sourced goods. Askegaard and Ger (1997) found that Turkish and German respondents associated Denmark with the image of a rural landscape, mentioning items like "green country, rural landscape and rural way of life, hardly any city-life, pure, natural", etc. These gave the country the status of an agricultural nation and influenced subjects' perceptions of Danish products. As put by the authors: "In both countries, Danes were seen to produce agricultural, not industrial, goods. Other products mentioned were dairy products, cake, cookies, fish products, and forestry products such as wooden toys."

(Askegaard and Ger 1997: 8). Niss (1996) states that "[i]mage surveys carried out abroad indicate that the "Made in Denmark" label is mainly associated with design goods, food produce and products related to agriculture. Conversely, Denmark's reputation for producing industrially manufactured goods is almost non-existent." (Niss 1996: 11).

## **(2) Climate**

A country's climatic characteristics often are mentioned by respondents when asked to form an impression about foreign countries. Climate is often a factor of key importance in the selection of tourist destinations by travellers. Sirgy and Su (2000), identified atmospheric conditions as one of the destination environment's cues that determines travellers' destination image. In line with this finding, Iacobucci (1998) showed how climatic features were recurrent items in travellers' cognitive networks for tourism destinations.

People have also been known to use climate factors to infer aspects related to a country's inhabitants and products. People living in Scandinavia for instance, often are considered to be rather "cold", meaning more introvert, while Mediterranean people enjoy a reputation of being rather "warm" or extrovert.

Askegaard and Ger, analysed Turks' perception of Danes and found that "Turks perceived Danes as living in "a drab society" where "social life is not active," and to be somewhat "cold people" with no time for friendly relations. [...] The general image is that of a content but not really happy, calm, peaceful, and stable people, without much emotion." (Askegaard and Ger 1997: 7). These climate conditions also appear to be used by consumers to evaluate foreign-sourced products. Askegaard and Ger (1997) showed how features related to Denmark's climate and atmosphere influenced the images Turks and Germans associated with Danish products. Verlegh (2001) also identified climatic circumstances as variables potentially affecting the perception of foreign-sourced products; particularly significant in areas like food and tourism.

### **(3) Culture**

According to Venkatesh, "individuals are products of their culture and their social groupings; therefore, they are conditioned by their socio-cultural environment to act in certain manners." (Venkatesh 1995: 29). Samiee and Mayo (2000) postulate these cultural differences should be taken into account since they can be important barriers to trade with distant foreign countries. In his book *Marketing Across Cultures*, Usunier (2000) presents an extensive overview on how cultural differences impact on different areas of marketing, among which consumer behaviour.

Within the COO field, cultural (dis)similarities have been assessed as factors influencing consumers' perceptions of foreign-sourced products (Wang and Lamb 1983). Hong and Yi (1992) found stronger COO effects for Koreans than for Americans. Ahmed and d'Astous (1993) found that the Made-in label was less important to Belgians than to Canadians. Wall and Heslop (1986) demonstrated how cultural similarity had a positive impact on product evaluations. Their study indicated

that French speaking Canadians and Quebec residents had a high image of products made in France, due to the positive influence of cultural heritage.

The same conclusions were drawn by Crawford and Lumpkin (1993) in a study on U.S. consumers' willingness to buy foreign-sourced apparel. They found that the more similar a country is to the U.S. in cultural terms, the more likely it is to be a preferred source of apparel.

#### **(4) History**

Klein et al. (1998) have been able to demonstrate how past political, military and economic conflicts can have devastating effects on behaviour towards internationally marketed products. In their opinion, marketers should take these historical contacts into account when studying consumers' reactions towards foreign sourced products. According to the authors, "history is fraught with illustrations of the dramatic and damaging effects of hostility between nations. If international tension can lead to armed conflict and atrocities, it seems plausible that animosity toward a current or former enemy also will affect willingness to buy products produced in or by firms from that country." (Klein et al. 1998: 90).

Their study, focussing on the attitude of Chinese consumers towards Japanese products, found Chinese animosity towards Japanese products was causally linked to Japan's brutal occupation on China from 1931 – 1945. The 'animosity' construct has been explored in depth by COO researchers in recent years (Roth et al, 2009)

Before turning to the product beliefs component of the conceptual model, it's necessary to comment on how the variables are believed to differ in their influence on COO perceptions for different product types.

Put simply, beliefs about a country's climate, culture, landscape and even history have been found to influence the intention to buy hedonic products such as food and drink (van Ittersum, Candel, and Meulenberg 2003), while beliefs about the country's economy, people and education have been found to influence complex utilitarian products such as consumer electronics.

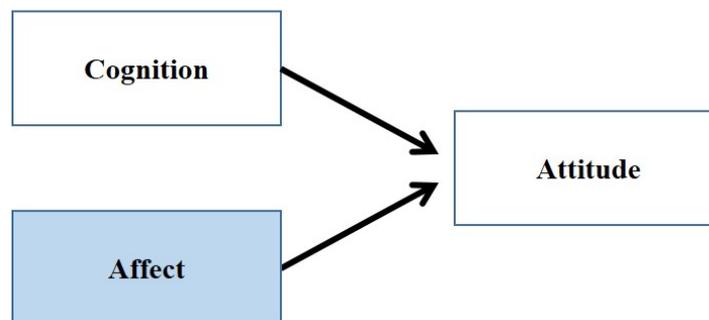
These distinctions run to the heart of the purpose of this study which is to evaluate the differing influences of affect and cognition on consumers' perceptions of specific foreign products. The hypothesised relationships between these distinctions and affective/cognitive influence on country perceptions will be discussed later. For ease of use in this dissertation the variables are separated into two groups termed geo cultural and socio-economic beliefs (Brijs 2006, Verlegh, 1999)

### 3.2 Country Affect

Having explained the concept of country cognitions/beliefs and the specific cognitive variables that will be evaluated in this study the discussion now moves to the second component of the two component view of country of origin attitudes; country affect. One key objective of this study is to gain theoretical insight into how such COO specific feelings might be influencing consumers' attitudinal dispositions towards foreign-sourced products.

Country affect is highlighted in figure 12 below.

**Figure 10 - Two Component View: Country Affect**



From the 1980's onwards, some scholars working within the COO field started to study how affective reactions towards a product's COO might be affecting a person's attitudinal dispositions towards foreign-sourced products.

In particular it has been suggested that experiential and hedonic approaches towards consumption as those developed by state that consumers' desire for emotional experiences sometimes belong to the primary motivations behind hedonic product

purchases, such as food, drink and wine which are largely purchased for their experiential benefits (Hirschman and Holbrook, 1982)

As for the internal structure of the affective component of a COO attitude, Verlegh argues that "studies employing fine-grained classifications of emotions often find that these emotions ultimately reduce to two factors, one positive and one negative" (Verlegh 2001: 52).

That is the positively oriented feelings like pleasantness, peacefulness, likeability, trust and pride (e.g., Häubl 1996; Heslop and Papadopoulos 1993; Verlegh 2001) are clearly distinguished from negative feelings like animosity, threat, hostility and irritation (e.g., Klein 2002; Klein et al. 1998; Verlegh 2001).

Our conceptual framework then delineates positive and negative affect to determine the influence of each on the structure of COO attitude. The specific emotions and feelings selected for the study are illustrated in figure 13 below.

**Figure 11 - Country Affect: Positive and Negative Emotions**



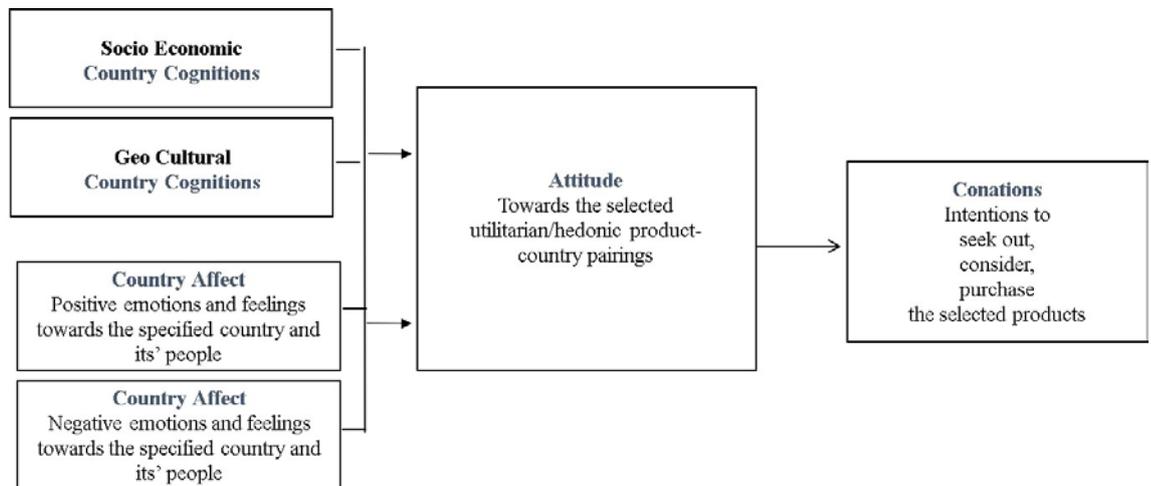
### **3.3 Conations**

. In the context of this study conations are the behavioural intentions people experience towards a product's COO. They are not considered part of the attitude construct, but are the outcomes that occur after the attitude is formed. These "conations" are to be considered as bipolar constructs where the two extremities indicate a tendency to

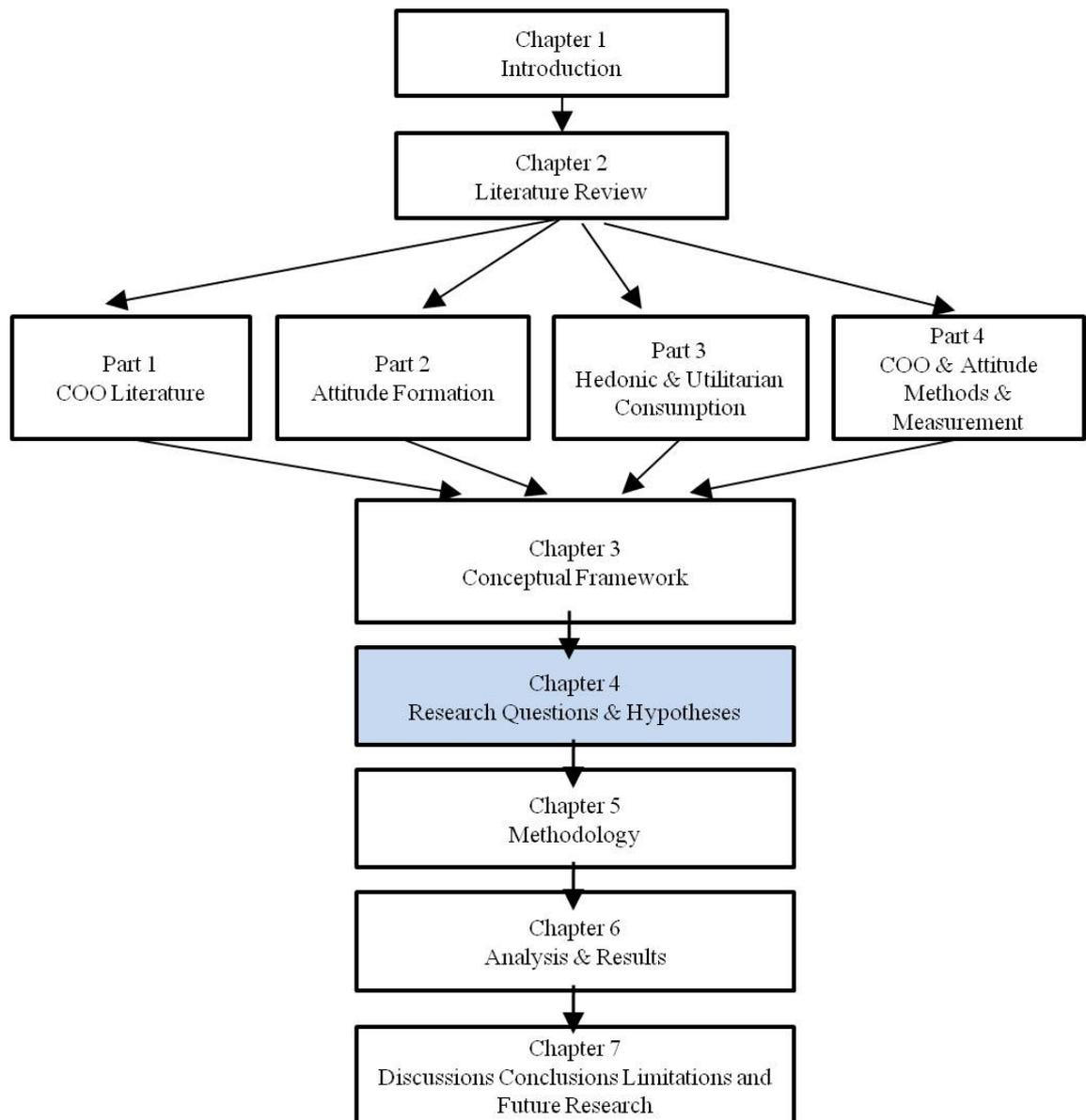
approach or avoid the country or the product. The conations construct is incorporated as a separately measured variable in this study.

Most studies use product conations as outcome variables (e.g., Bilkey and Nes 1982, Laroche et al. 2005). Papadopoulos and Heslop (2003, p. 424) express the need “to broaden COO research to incorporate, among others, services, tourism, FDI, and even the need to attract a qualified workforce”.

**Figure 12: The Research Model**



## CHAPTER 4 – Research Questions and Hypotheses



## **4.1 Introduction**

Chapter two provided a review of the literature relevant to the country of origin theory and attitude formation, and discussed the concepts of hedonic and utilitarian product and country perceptions and consumption experience. From this in chapter three, a conceptual framework outlining the choice of the two-component attitude formation model as a conceptual basis for this research was discussed. From this point the key variables to be measured were provided along with the justification of each. Chapter four begins with articulation of the research questions, then the tested hypotheses are formalised and summarised.

## **4.2 Research Questions**

To better understand the processes underpinning COO attitudes the following research questions are posed. (1) What are the relative roles of cognition and affect in the formation of attitudes towards countries and their products? and (2) How do these attitudes lead to behaviour?

**RQ1:** Cognitive beliefs are typically discussed as the main source of COO attitudes but what are the relative effects the internal components of these beliefs, socio-economic and geo-cultural beliefs? Do socioeconomic beliefs matter more for utilitarian products than geo-cultural beliefs and vice versa for hedonic products?

**RQ2:** If as argued here, consumers affective reactions to a country influence their overall attitudes towards products associated with that country, then what are the relative effects of positive and negative affect?

**RQ3:** If we compare the relative effects of cognitive beliefs and affect - do socioeconomic beliefs matter more than affect for utilitarian products and affect more than geocultural beliefs for hedonic products?

**RQ4:** Overall how do beliefs about a country (cognition) and affect felt towards a country, influence attitudes to products from that country?

**RQ5:** Therefore are attitudes toward utilitarian products manufactured in utilitarian countries stronger than utilitarian products manufactured in non-utilitarian countries and are attitudes toward hedonic products manufactured in hedonic countries stronger than utilitarian products manufactured in non-hedonic countries?

### **4.3 Hypotheses**

To answer the first research question, the first step is to determine if a relationship exists between the type of country belief (geo-cultural versus socio-economic beliefs about a country) and attitudes towards specific types of products (hedonic and utilitarian). It is expected that if a person holds positive beliefs about a country's geo-cultural attributes (climate, landscape, history) their attitude towards hedonic products from that country (e.g. wine, food) will also be positive. Hence H1a below.

#### **H1a. Geo-cultural country beliefs are positively related to attitudes towards hedonic products from that country**

It is also assumed socio economic country beliefs (for example beliefs about a country's level of technological advancement, the competence and education levels of its' workers) will positively influence impressions of a country's utilitarian products. It is also expected that a person's geo-cultural beliefs will not be significantly related to their attitudes towards utilitarian products from the same country. It is also expected that a person's socio-economic beliefs will not be significantly related to their attitudes towards hedonic products from the same country.

Hence the hypothesis, H1b.

#### **H1b. Socio-economic country beliefs are positively related to attitudes towards utilitarian products from that country**

Having examined the influence of cognitions upon product attitudes; our attention now turns to the influence of the second component of the two-component model – affect. In the 1980's scholars began to query how a person's affective reaction towards a product's COO may influence their attitude towards that product. (Hirschman and Holbrook, 1982). It was suggested (Hirschman and Holbrook, 1982) that affective

responses towards a country of origin may disproportionately influence a person's attitude towards hedonic products such as food and wine.

As mentioned previously, research by Mano and Oliver (1993) suggests that affective feelings and emotions towards a country (warmth) are more likely to influence consumer attitudes toward hedonic rather than utilitarian products. In subsequent years research by Bartsh, Diamantopoulos and Riefler (2016), Chen, Maheswaran and Mathur (2014), Crouch, Orth and Lu (2016), Verleigh (1999), Yeung and Wyer (2004) yielded similar results adding support to the notion that consumer evaluation of utilitarian products may be more cognitive and functional in nature whilst evaluation of hedonic products may be more influenced by affective responses.

H2a and H2b will evaluate these notions and for the reasons listed above the two hypotheses will test only affective responses to hedonic products.

**H2a. Positive affect felt towards a country is positively related to attitudes towards hedonic products from that country.**

**H2b. Negative affect felt towards a country is negatively related to attitudes towards hedonic products from that country.**

To answer research question 3, two hypotheses were developed. Firstly, the relationship between affect towards a country and attitudes towards hedonic products from that country are examined to determine whether positive emotions and feelings towards a country and products from that country, has a greater influence on attitudes towards hedonic products than geo-cultural beliefs, shown by hypothesis 3a below.

**H3a. The influence of positive country affect on attitudes towards hedonic products from that country will be stronger than geo-cultural beliefs about that country.**

**H3b. The influence of socioeconomic beliefs about a country on attitudes towards utilitarian products from that country will be stronger than positive affect.**

**The findings from the preceding hypotheses will enable us to address the following key question.** Are attitudes toward utilitarian products manufactured in utilitarian countries stronger than utilitarian products manufactured in non-utilitarian countries and are attitudes toward hedonic products manufactured in hedonic countries stronger than utilitarian products manufactured in non-hedonic countries?

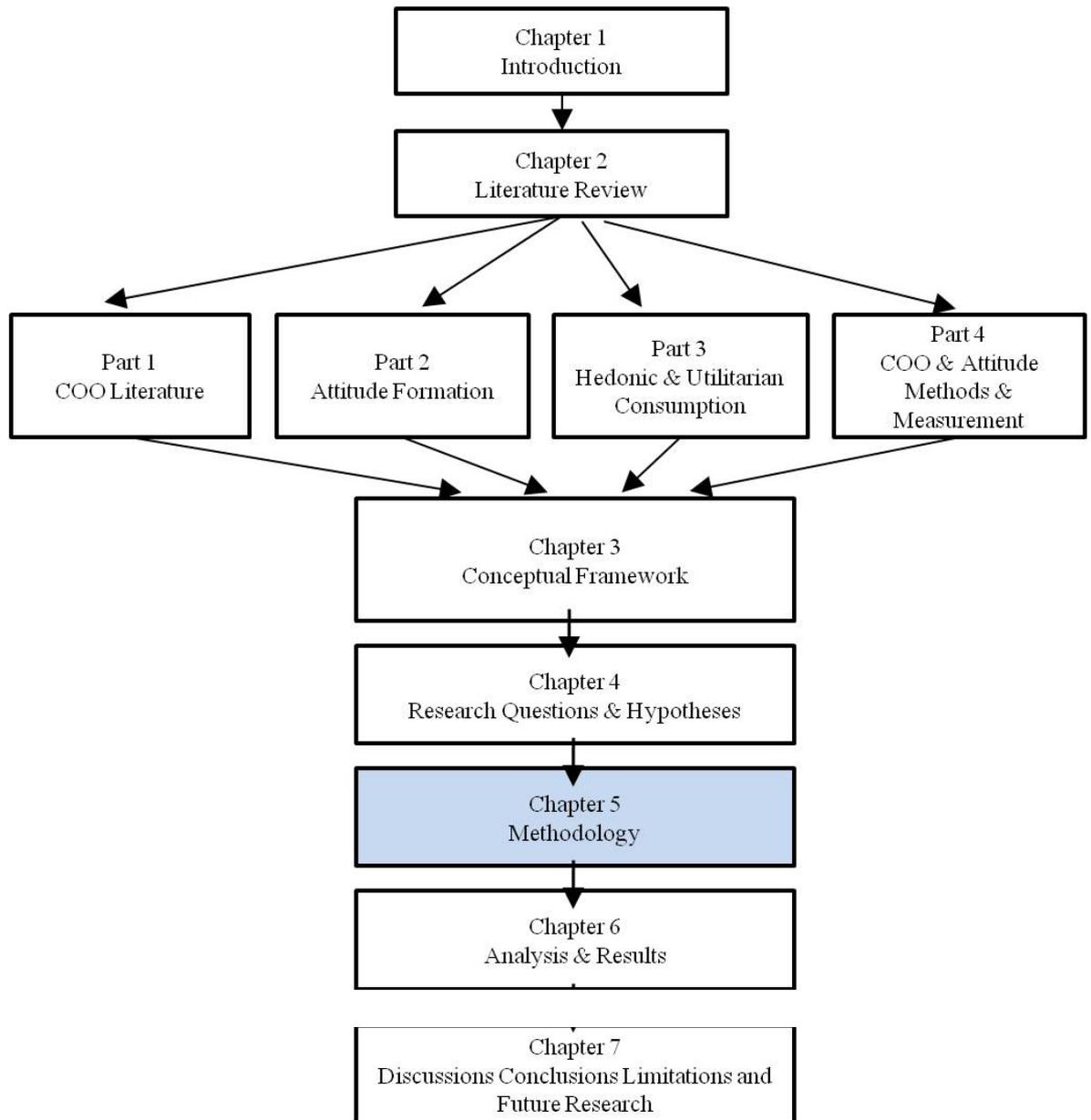
**H4a. Attitudes toward hedonic products from a hedonic country will be stronger than a non-hedonic country.**

**H4b. Attitudes toward utilitarian products from a utilitarian country will be stronger than a non-utilitarian country.**

Finally, the relationship between COO attitudes and product purchase intentions will be tested with H5.

**H5. Country product attitudes are positively related to conations**

## CHAPTER FIVE - METHODOLOGY



## **5.1 Introduction**

The previous chapter developed a number of research hypotheses to investigate the role of affect and cognition on consumer attitudes towards hedonic and utilitarian country and product stimulus.

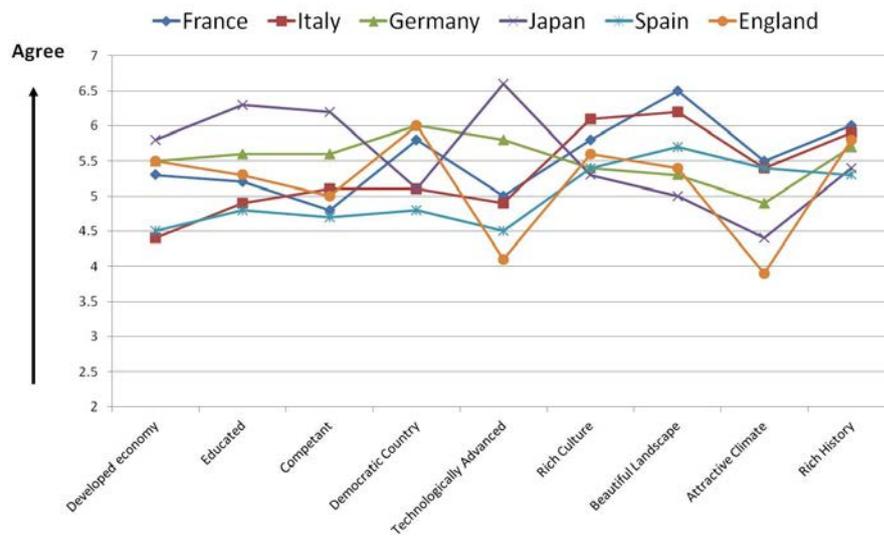
This chapter provides an overview of research methodology for the main study and the results of the pilot-test that was used to select the country and product stimulus and the pre-test to refine the questionnaire.

Before selecting the country stimulus for the pre-test, some assumptions and basic guidelines were gleaned from previous research. Firstly it was deemed important that final selections were countries that could be classified as More Developed Countries (MDCs) to avoid the larger country-of-origin effects often resulting when products from MDCs and Lesser Developed Countries (LDCs) are included in the same study (Brijs, 2006).

## **5.2 Pre-Test**

A pre-test to select the countries and products to be used in the main study was conducted among 24 final year undergraduate university students at Edith Cowan University's Bunbury Campus on November 12th, 2011. Firstly, in relation to country selection. The objective was to select two countries, one that was rated highly on the geo-cultural dimensions and one that rated highly on the socio-economic dimensions. Using seven point semantic differential scales, France, Italy, Germany, Japan, Spain and England were tested on the socio-economic and geo-cultural variables outlined in the previous chapter. Figure 17 below shows the pilot test respondents ratings of each of the countries on the five geo-cultural variables and the five socio-economic variables.

**Figure 13 - Country ratings on geo-cultural and socio-economic variables**



As can be seen, both Italy and France received higher ratings on the geo cultural items of climate and history than other test countries. France rated slightly higher on beautiful landscape, while Italy rated more highly on rich culture. After running descriptive statistics of the two short-listed countries, Italy and France, as can be seen in table 3 below the mean score for both on Hedonic dimensions (geo-cultural variables) was very close, while the standard deviation around the mean of Italy is higher than France.

**Table 3- Descriptive statistics of test countries**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
MeanUtilFrance	24	3.00	7.00	5.0577	.85530
MeanUtilItaly	24	3.25	7.00	4.8269	1.00690
Mean Util Germany	24	3.75	7.00	5.6250	.91173
Mean Util Japan	24	4.00	7.00	6.2115	.72004
Mean Util Spain	24	3.00	7.00	4.6346	.94665
Mean Util England	24	3.25	7.00	5.3173	1.00389
Mean Hed France	24	3.83	7.00	5.5962	.74263
Mean Hed Italy	24	3.83	6.83	5.6218	.82402
Mean Hed Germany	24	3.00	7.00	5.0641	.96733
Mean Hed Japan	24	2.00	7.00	4.5449	1.11111
Mean Hed Spain	24	3.67	7.00	5.2244	.98876
Mean Hed England	24	4.00	7.00	5.2308	.78892

We then turned to a more comprehensive literature search for further guidance. “Askegaard and Ger (2007) as well as Niss (2004) for instance, established that the cultural and historical attributes associated with France influences the way in which people imagine its inhabitants and its typical products. Frequently mentioned characteristics of French people include exuberance, spirit and discerning. French cultural associations included rich, lavish and cultivated. These attributes may influence impressions of French products in particular hedonic products such as fashion goods, food, wine and perfume for which they are important cues. Whilst, Leclerc et al. (1999) found a positive effect of French-sounding brand names on evaluations of "hedonic" products such as perfume and wine, but a negative effect on the evaluations of "utilitarian" products like cars and computers. These effects persisted even when subjects actually experienced the product.

The insights gleaned from these three research articles influenced our final choice to select France as the hedonic test country for this research.

The choice of country that rated highly on socio-economic dimensions, was more obvious. In particular Japan rated highly on the variables, developed country, educated people, competent workers and technologically advanced making it the natural choice as the second test country for the study. Finally, France and Japan were chosen as the treatment countries respectively, for a number of reasons. Firstly, each country differed greatly on ratings on each of the two dimensions indicating they are perceived quite differently. Second, both France and Japan are among the world’s ten largest exporters of products, thus adding a realistic international marketing element to the national origin treatment. Furthermore, with the desirable exception of geo-cultural/socio-economic ratings, the two countries are otherwise fully comparable in terms of economic (i.e. highly developed economies) and political (i.e. democratic) governments dimensions.

Finally, there is a theoretical underpinning to the selection of these two countries. Askegaard and Ger (1997) as well as Niss (1996) for instance, established that the cultural and historical attributes associated with France influences the way in which people imagine its inhabitants and its typical products. For example, some frequently mentioned characteristics associated with French people are exuberant, spirited and

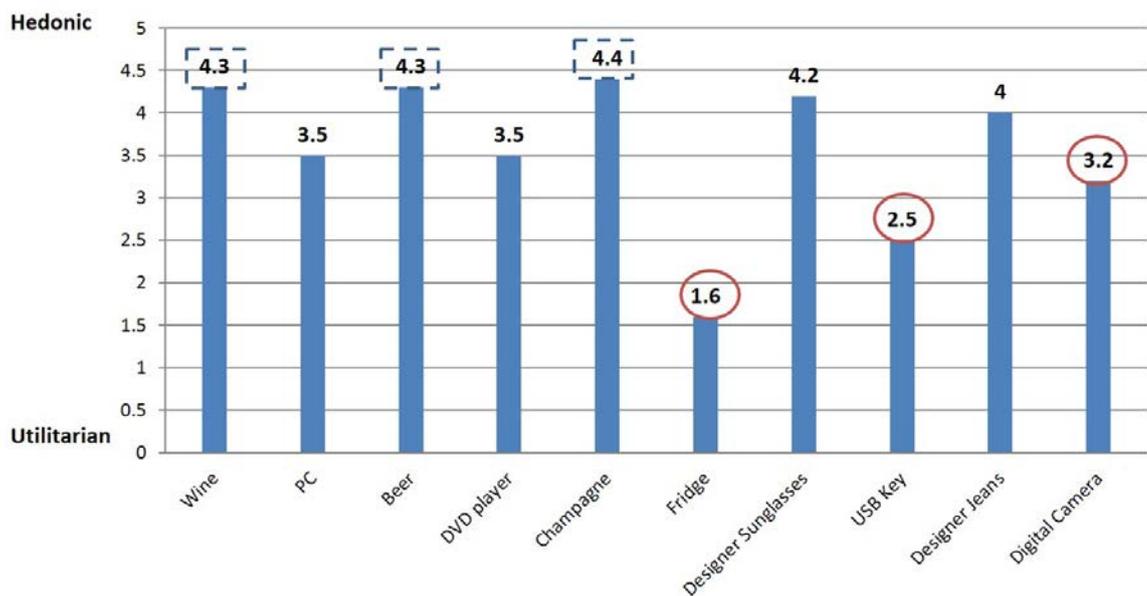
discerning. French cultural associations were also uncovered including rich, lavish and cultivated.

These associated attributes may influence the impressions consumer's hold of French products. As mentioned earlier, Leclerc et al. (1994) found a positive effect of French-sounding brand names on evaluations of "hedonic" products such as perfume and wine, but a negative effect on the evaluations of "utilitarian" products like cars and computers. These effects persisted even when subjects actually experienced the product. Contrary to French, Japanese people are often perceived to be conscientious, industrious, careful, competent, respectful of authority and somewhat introverted (Dinnie, 2004). These people attributes may in turn help create impressions of a competent, well-educated and highly trained workforce that is congruent with the production of high quality technical products such as cars and consumer electronics.

Thus, Japan was chosen as the study's high utilitarian/competence (and low hedonic/warmth) stereotype dimension treatment and France as the high hedonic/warmth (and low utilitarian/competence) stereotype dimension treatment. Aside from the clear country-specific differences, France and Japan were deemed well suited to this study, because the pre-test results which indicated each country stood out from their peers on either geo-cultural or socio-economic dimensions indicates they are countries with which our respondents were relatively familiar with. Therefore, it could be assumed that many Australian's have quite developed stereotypical images for each of these countries.

The next step was to determine the product stimulus. Ten products were rated by the same group of respondents; again, using a semantic differential scale to rate the products on perceived hedonic versus utilitarian attributes. A written explanation of the meanings of the terms hedonic and utilitarian were given to respondents, in which utilitarian products were described as being mainly motivated by goal-oriented consumption and hedonic products are mainly motivated by pleasure-oriented consumption (Dhar and Wertenbroch, 2000; Hirschman and Holbrook, 1982). Figure 18 below illustrates the respondent's ranking of each of the ten products.

**Figure 14 - Test product ratings on hedonic and utilitarian dimensions**



Descriptive statistics of each of the shortlisted products, as can be seen in table 4 below were less clear cut than the choice of countries.

**Table 4- Descriptive statistics of test products**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Wine	26	2.00	5.00	4.2692	1.04145
Beer	26	2.00	5.00	4.2692	.96157
Champagne	26	2.00	5.00	4.4231	1.06482
Designer Sunglasses	26	1.00	5.00	4.2308	1.03180
Designer Jeans	26	2.00	5.00	4.0000	1.01980
Personal Computer	26	1.00	5.00	3.0769	1.12865
DVD Players	26	1.00	5.00	3.5385	1.06699
Fridge	26	1.00	4.00	1.5769	.90213
USB Keys	26	1.00	5.00	2.5385	1.17408
Digital Camera	26	1.00	5.00	3.2308	.95111

With several products scoring highly on either hedonic or utilitarian dimensions; it was decided to choose stimulus products partly on their mean scores, partly on previous literature that sought to define hedonic and utilitarian product types and provide examples of each and partly on perceived familiarity of each product to a student sample.

Using the selection process described above, two products are selected for the study, one "hedonic" product-wine (Holbrook and Hirschman 1982, Mano and Oliver 1993) and 2) a utilitarian product; digital cameras. (e.g., Brijs 2006, Ratchford 1987; Rossiter and Percy 1997).

Further reinforcing the choice was the premise that both products are relatively well known to students. i.e. wine is now a standard part of the under 25's alcoholic beverage repertoire, especially for occasions such as dinner parties (Lion Nation Australian Beverage Attitudes and Usage, 2006); while digital cameras are considered to be familiar utilitarian products owned by consumers of all ages.

Several researchers on COO effects which made use of a student sample already have included these, or comparable products in their studies (e.g., Eroglu and Machleit 1989; Cordell 1993; Gürhan-Canli and Maheswaran 2000; Hadjimarcou and Hu 1999; Hong and Yi 1992; Hong and Wyer 1989, 1990; Manrai et al. 1998; Roth and Romeo 1992; Schaefer 1997)

### **5.3 Method and sample**

The data collection method was via a self-administered questionnaire. Four hundred undergraduate students at a large Australian university (Curtin University of Perth) participated. The study received prior approval by the University's Ethics Committee. Subject participation in the study was voluntary. The study adopted a between-subjects experimental design in which, participants were randomly assigned to one of four experiment cells: 1. Utilitarian Country x Hedonic Product , 2. Utilitarian Country x Utilitarian Product, 3. Hedonic Country x Hedonic Product and 4. Hedonic Country x Utilitarian Product.

This study may be categorised within the stream of “single-cue” studies. It was designed such that, besides mentioning the COO, no other information about the product was offered to respondents. Such single-cue studies have been criticised for their overestimation of the COO effect (Bilkey and Nes 1982). Nevertheless, this type of design was chosen because a key objective was to analyse the functioning of COO effects at a theoretical level. In addition, by offering no additional product-related information to the subjects, the COO effects were believed to be as “pure” as possible. In line with traditional COO research, by excluding any supplementary information about the product, a focus was placed on internal validity. That is, before studying the degree to which theory might be generalized to external reality, the quality of the theoretical model itself must be verified.

## **5.4 Questionnaire**

The questionnaire consisted of six sections. The first page included instructions for respondents, purposes and objectives of the study and contact persons for queries. After distributing the questionnaire to respondents, a verbal introduction and guidelines were given.

Sections one to five measured the different concepts included in the theoretical model. Specifically, section one measured respondents “country beliefs” (cognitions) in regard to the two test countries, France or Japan, depending on the questionnaire received. Section 2 was dedicated to the measurement of the Country-Affect (feelings and emotions) concept; section 3, to the measurement of conations (intention to act towards the country in question). Section 4 comprised questions about Product-Country beliefs; France/Japan and Digital Cameras/Wine depending on the questionnaire received. Section 5 - Country Knowledge, aimed to measure the pre-existing level of familiarity with the country. Finally, respondent demographics were recorded at the close of the questionnaire. In total, the questionnaire consists of 36 items. Each of the questionnaire sub-scales is discussed in the following sections.

### **5.4.1 Country Cognitions – Socio Economic & Geo Cultural**

Selecting the specific country attributes to be included took into account the literature on how consumers evaluate utilitarian and hedonic products and the specific attributes of each that are important to the evaluation process.

Firstly, the attributes related to hedonic products are discussed. For many products technological developments and globalisation have led to a decrease of the importance of the geographic source of a product. However, in the case of products such as food and tourism; they remain particularly significant (Hooson 1994).

A review of the literature, suggests that climate and landscape are two central components within the set of perceived "geographic features". Impressions of the climate in the country of origin may underlie consumer preferences for Spanish oranges or French wine (Delagneaux 1985). Landscape includes the perceptions of the nature and scenery in a country. Askegaard and Ger (1997) found that consumers' perceptions of the taste and quality of Danish foods were associated with their impressions of Denmark as an unspoiled and natural country.

Earlier it has been hypothesised that climate and landscape features have partly underpinned the growth of and positive impressions associated with Tasmanian gourmet food. Thus at least in relation to some product and service type, the consumer's impression of the country's geographic attributes are important to the evaluation process.

The attributes related to judging utilitarian products are somewhat different. In this case natural scenery, perceived 'friendly' nationals, rich fertile land and an attractive climate are of little importance. In assessing the merits of utilitarian products, especially high value complex products, a combination of perceived national competence and technological advancement are critical. For example, the perceived competence of a nation's workers in relation to education levels, skill and diligence and commitment have been found to influence consumer evaluation of certain product and service types. (Inkeles and Levinson 1969),

Both of the above examples are forms of national stereotyping and has received considerable attention from social psychologists. A large number of studies document how people stereotype national groups in terms of personality traits (e.g., Eagly and Kite 1987, Linssen and Hagendoorn 1994, Leyens, Yzerbyt and Schadron 1994).

Taking these findings from the literature into account, nine items were chosen to represent the first of the questionnaire sub-scales - country image. They comprised economic, technological, geographic and human characteristics of the country.

The items were chosen to distinguish between the utilitarian and hedonic characteristics of a country's image. Five were taken from a widely acknowledged study by Pappu and Quester 2007; while the remaining four were taken from Brijs 2006.

For ease of classification the hedonic country image attribute is termed geo-cultural and include the following four items; language, landscape, climate and history; whilst the utilitarian attributes are termed socio-economic characteristics and include the following five items; economy, political systems, technological advancement, education and democratic. A similar distinction has been made in other areas in the social sciences (Billig 1995, Giddens 1981, Schooler 1996).

	Strongly Disagree (1)	Strongly Agree (7)
1. Japan/France is a <u>developed economy</u>		
2. People from Japan/France <u>are well educated</u>		
3. Japanese/French people are <u>competent workers</u>		
4. Japan/France is a <u>technologically advanced country</u>		
5. Japan/France <u>is a democratic country</u>		
6. Japan/France has a <u>rich culture</u>		
7. Japan/France has a <u>beautiful landscape</u>		
8. Japan/France has an <u>attractive climate</u>		
9. Japan/France has a <u>rich history</u>		

The tabular representation of the scale is shown in figure 18 below

**Figure 15: Conception of the Country Cognitions component**

Scale	Items
<b>Country Cognitions</b>	Developed economy
	Well educated
	Competent workers
	A technologically advanced country
	A democratic country
	Has a rich culture
	Has a beautiful landscape
	An attractive climate
	A rich history

#### **5.4.2 Country & people affect**

Country images include consumers' emotions and feelings toward a country and its' people (Leyens et al. 1994, Alexander, Brewer and Herrmann 1999). Feelings may be divided into positive and negative, a distinction which appears to capture the basic dimensions of the affective spectrum (Watson, Clark and Tellegen 1988). Studies employing more fine-grained classifications of emotions also find these emotions reduce to two factors, one positive and one negative (e.g., Mano and Oliver 1993).

Moreover, psychological and physiological research on emotions indicates that positive and negative affect are distinct types of responses, which differentially affect behaviour, and emerge from separate neural systems (Cacioppo and Gardner 1999).

The distinction between positive and negative feelings has been applied in the majority of consumer research dealing with emotional responses to advertising and consumption.

Therefore, this study distinguished between positive and negative feelings evoked by country of origin, and incorporated separate measures to assess them. Nine items were chosen for the country and people affect scale.

The items are taken from the PANAS; Positive and Negative Affect Scale (Watson, Clark, & Tellegen, 1988). The original PANAS scale comprises positive and negative clusters. The positive cluster consists of active, alert, attentive, determined, enthusiastic, excited, inspired, interested, proud, and strong. The negative cluster consists of afraid, ashamed, distressed, guilty, hostile, irritable, jittery, nervous, scared, and upset. The nine items comprise five positive items and four negative items as seen below.

	Strongly Disagree (1)	Strongly Agree (7)
10. Japan/France is a country <u>I admire</u>		
11. Japan/France makes me feel <u>excited</u>		
12. <u>I like</u> Japan/France		
13. I feel <u>affinity</u> with Japan/France		
14. I am <u>curious</u> about Japan/France		
15. Japan/France makes me <u>fearful</u>		
16. I <u>don't trust</u> Japanese/French people		
17. Japanese/French people <u>annoy</u> me		
18. Japan/France makes me <u>angry</u>		

The tabular representation of the scale is shown in figure 19 below

**Figure 16: Conception of the Country and People Affect component**

Scale	Items
<b>Country And People Affect</b>	A people I admire
	Makes me feel excited
	I like (country)
	I feel affinity with (country)
	I am curious about (country)
	Makes me fearful
	I don't trust (the country's people)
	(the ..... ) annoy me
	(country) makes me angry

**5.4.3 Attitude Attributes -Utilitarian Product/Country Pairing**

Five items were reserved for the measurement of respondents' attitude towards the selected utilitarian product, digital cameras. Each of the items are considered to be key consideration factors. The digital camera items are taken from the global Usage & Attitudes survey 2007 used by the Japanese camera manufacturer Canon. The seven items for digital cameras are shown below.

Strongly Disagree (1)	Strongly Agree (7)
22. Digital Cameras from Japan/France are <u>well designed</u>	
23. Digital Cameras from Japan/France <u>high tech</u>	
24. Digital Cameras from Japan <u>have many features</u>	
25. Digital Cameras from Japan are <u>user friendly</u>	
26. Digital Cameras from Japan are <u>high quality</u>	

#### **5.4.4 Attitude Attributes- Hedonic Product/Country Pairing**

The five wine items are taken from Veale (2007). Finally two purchase intention questions (would seriously consider buying/definitely would buy) are added for each product.

Strongly Disagree (1)	Strongly Agree (7)
22. Japanese/French wine is <u>prestigious</u>	
23. Japanese/French wine would have an <u>excellent taste</u>	
24. Japanese/French wine <u>packaging and labelling is attractive</u>	
25. Japanese/French wine would have a <u>nice aroma</u>	
26. I believe wine from Japan/France would be <u>good quality</u>	

The tabular representation of the wine sub-scale is shown in figure 23 below

**Figure 17: Conception of the Hedonic Product/Country component**

Scale	Items
<b>Hedonic Product Country Image</b>	is prestigious
	would have an excellent taste
	packaging and labelling is attractive
	would have a nice aroma
	would be good quality

### 5.4.5 Country Conations

To measure intention to take action in relation to the test country, three conation items are taken from Heslop and Papadopoulos 1993.

Strongly Disagree (1)	Strongly Agree (7)
19. I would like to <u>buy</u> French/Japanese products	
20. I would like to <u>visit</u> France/Japan.	
21. I would like to <u>work</u> in France/Japan.	

**Figure 17: Conception of the Country Conations component**

Scale	Items
<b>Country Conations</b>	Would like to buy (country's products)
	Would like to visit

### 5.4.6 Hedonic Product/Country Conations

Finally two purchase intention questions (would seriously consider buying/definitely would buy) are added for each product.

Strongly Disagree (1)	Strongly Agree (7)
27. I would <u>seriously consider</u> buying a Japanese/French wine	
28. I <u>definitely would buy</u> Japanese/French wine	

The tabular representation of the hedonic product conations sub-scale is shown in figure 22 below

**Figure 18: Conception of the Hedonic Product Conations component**

Scale	Items
<b>Hedonic Product Conations</b>	I would seriously consider buying
	I definitely would buy

### **5.4.7 Utilitarian Product Conations**

Two items were reserved for the measurement of respondents' conations towards the selected utilitarian product, digital cameras. Again, the digital camera items are taken from the global Usage & Attitudes survey 2007 used by the Japanese camera manufacturer Canon. The two items for digital cameras are shown below.

Strongly Disagree (1)	Strongly Agree (7)
27. I would <u>seriously consider</u> buying a Japanese Digital Camera	
28. I <u>definitely would buy</u> a Japanese Digital Camera	

The visual representation of the scale is shown in figure 23 below

**Figure 19: Conception of the Utilitarian Product Conations component**

Scale	Items
<b>Utilitarian Product Conations</b>	I would seriously consider buying
	I definitely would buy

### **5.4.8 Product/Country Knowledge**

The respondent's knowledge of the two countries is needed in order to determine if subsequent responses to country & product image questions, affect and conations are reflective of established impressions. To determine the level of respondent knowledge of the countries in question and each of the two product types, three items by Beatty & Smith 1987 and Martin & Eroglu 1993 are chosen.

Strongly Disagree (1)	Strongly Agree (7)
29. I believe I know a lot about Japan/France	
30. I am quite familiar with products from Japan/France	
31. I own/have owned Japanese/France products.	
32. I am quite familiar with Japanese/French Digital Cameras/wine	

**Figure 25: Conception of the Country Knowledge component**

Scale	Items
<b>Country Knowledge</b>	I believe I know a lot about
	I am quite familiar with products from
	I own/have owned
	I am quite familiar with

### **5.4.9 Respondent Demographics**

Finally basic demographics questions are asked of respondents. These include age, education and gender. Questions are not asked on income or occupations as all respondents are students and are unlikely to receive highly stratified incomes.

## **CHAPTER SIX – DATA ANALYSIS & RESULTS**

### **6.1 Data Analysis Framework**

Data was analysed using both univariate and multivariate techniques with the Statistical Package for Social Sciences (SPSS). Data analysis was undertaken in a series of steps.

1. First, data screening was carried out to remove incomplete data.
2. The second step was to analyse descriptive statistics of different variables.
3. Third, factor analysis was conducted using principal component analysis with varimax rotation to examine the underlying dimensions of perception and motivation.
4. Next the reliability of the scales was tested using Cronbach alpha. Ticehurst & Veal (1999) suggest it is important to assess the internal reliability of all factors to be retained and Kline (1994) stated that Cronbach's coefficient alpha is commonly used to measure internal reliability. An alpha of .60 is commonly used as a minimum threshold.
5. Finally, T-Tests and regression analysis was used to test each of the hypotheses.

### **6.2 Descriptive Statistics**

Descriptive statistics were reviewed to profile respondents. The results are shown in the table below. The final sample size was 400. Since university students comprised most of the sample, over 80 percent of the respondents were under the age of 25. The sample consisted of a more males (60%), than females (40%).

**Table 5 – Respondents Gender**

Gender		
	Frequency	Percent
Male	241	60.3
Female	159	39.8
Total	400	100.0

**Table 6 – Respondents Age**

Age		
	Frequency	Percent
18-25 Years Old	350	87.5
26-34 Years Old	32	8.0
35-44 Years Old	12	3.0
Over 45 Years Old	6	1.5
Total	400	100.0

The largest nationality grouping was Australian born students, representing 35% of the sample; while Chinese born students made up 19% followed by Malaysian students 8.8% of the sample.

**Table 7 – Country of Birth**

Country of Birth		
	Frequency	Percent
Australia	140	35.0
China	77	19.3
Malaysia	35	8.8
Indonesia	24	6.0
Singapore	13	3.3
South Africa	11	2.8
Vietnam	6	1.5
Iran	5	1.3
Kenya	6	1.5
India	6	1.5
Hong Kong	4	1.0
Zimbabwe	4	1.0
New Zealand	4	1.0
Total	400	100.0

### **6.3 Exploratory Factor Analysis (EFA)**

Exploratory factor analysis was used to confirm the structure of the construct. EFA is used in the early stages of the analysis to describe and summarise data by grouping variables that are correlated with one another, but largely independent of other subsets of variables, into a specific factor (Tabachnick & Fidell, 1996). According to Pallant (2001), factor analysis consists of three steps: (1) assessment of the suitability of the data for factor analysis, (2) factor extraction, and (3) factor rotation and interpretation.

#### **(1) Assessment of the Suitability of the Data for Factor Analysis**

The first step of factor analysis is to assess the suitability and appropriateness of data (Tabachnick & Fidell, 1996; Pallant, 2001). The techniques available to determine the suitability of data for factor analysis include correlation matrix, Bartlett's test of sphericity, & the Kaiser-Meyer-Olkin measure of sampling adequacy which is defined as "the ratio of the squared correlation between variables to the squared partial correlation between variables" (Field 2005, p. 640).

The KMO statistic can reach a value between 0 and 1, in which higher values indicate a higher adequacy of the sample size for the application of factor analysis than lower values do. According to Fields' (2005) findings, values between .8 and .9 can be seen as adequate and values about .9 as superb, indicating that the achieved sample is large enough and an exploratory factor analysis can be conducted without hesitation. In order to verify the structure behind the components of the research model, this research utilised a principal component factor analysis with varimax rotation to identify the factors.

## **(2) Factor Extraction**

Pallant (2001) indicates there are two techniques that can be used to assist in the decision as to how many factors should be retained, Kaiser's criterion and scree test. With regard to Kaiser's criterion, only factors with an eigenvalue of 1.0 or above should be retained. If the eigenvalue of a factor is below 1 then this indicates that the factor explains less variance than any single item and should therefore be eliminated. The second criterion is the interpretation of the displayed scree plot. A scree plot graphically plots the eigenvalues against the associated factors. Here, those factors should be retained that are located before the point of inflexion of the curve (Pallant, 2001).

## **(3) Factor Rotation and Interpretation**

To improve the interpretation of the results, the factors were rotated after extraction with the aid of the Varimax rotation procedure (Pallant, 2001; Tabachnick & Fidell, 1996). This technique is used to minimize the number of variables that have high loadings on each factor.

#### 6.4 Scale Testing - 1) Country Cognitions/Beliefs

To verify the dimensions of the country cognitions sub-scale, exploratory factor analysis was performed.

The Principal Component Analysis with eigenvalues greater than one was rotated by the varimax analysis. Results concerning the cognitive sub-scale suggest a two-dimensional structure for this construct. The two factor solution was extracted with Eigenvalue exceeding 1 and as a whole, explaining 69.1% of the variance (or respectively 55.9% and 13.1%). The item "democratic country" had a low loading of .591. When this item was removed the cronbach's alpha increased from .769 to .850. It was decided then to remove this item from all subsequent analyses. Table 7 shows the final factor loadings for the two factors.

**Table 8- Types of Country Beliefs**

	<b>Geo- Cultural</b>	<b>Socio- Economic</b>
Beautiful Landscape	.814	
Rich History	.804	
Attractive Climate	.771	
Rich Culture	.759	
Technologically Advanced Country		.866
Competent Workers		.808
Developed Economy		.786
Well Educated		.762
KMO	.893	
Approximate Chi-Square	2013.897	
Df	36	
Sig.	.000	

Note: Values under 0.35 suppressed

Therefore the country beliefs component is two factor construct. The first factor is labelled "geo-cultural beliefs" and consists of the following four items: "landscape", "history", "climate" and "culture".

The second factor is called “socio-economic beliefs” and groups four components: “technologically advanced”, “competent workers”, “developed economy” and “well educated”. The results for both the geo-cultural beliefs and the socio-economic beliefs are in line with the expectations of the original authors Pappu and Quester (2007) and Brijs (2006) respectively.

### Scale Testing - 2) Country Affect

The country affect scale appears to have measured relatively well. The scale comprised a number of positive and negative affect items that Watson, Clark, & Tellegen (1999) had included in their Positive and Negative Affect Scale (PANAS). Principal Component Analysis was used to identify factors with eigenvalues greater than one and the factors were rotated using varimax analysis. Results suggest a two-dimensional structure for this construct. The two factor solution explained 76.1% of the variance (or respectively 55.9% and 13.1%). One of the original items, "Affinity With", was removed from the analysis due to a loading of 0.470. By removing “Affinity With” the Cronbach's alpha increased from .737 to .863. Table 8 below shows the final factor loadings for the two factors.

**Table 9 - Scale Testing Positive and Negative Affect**

	Positive Country Affect	Negative Country Affect
Admire	.870	
Excited	.910	
Like	.857	
Curious About	.774	
Makes Me Fearful		.764
Don't Trust		.845
Annoy Me		.881
Makes Me Angry		.813
KMO	.899	
Chi-Square	2016.864	
Df	36	

Note: Values under 0.3 suppressed

The two remaining factors still represent the factors identified by Watson, Clark, & Tellegen. (1988). Therefore the first factor is named "positive affect" The second factor is named "negative affect" as defined by Watson, Clark and Tellegen (1998) and validates the use and structure of their PANAS scale (Positive and Negative Affect).

**Scale Testing 3) - Utilitarian Product - Digital Cameras**

The scale used to measure product beliefs about digital cameras suggest a one factor structure for this construct. Only one factor was extracted with an Eigenvalue exceeding one as per the source of the scale (Canon Global Usage & Attitudes survey 2007). The single factor explained 86.7% of the variance. As shown in table 9 the loadings all exceeded the minimum standards.

**Table 10 - Scale Testing: Attitude Towards Digital Cameras**

	Utilitarian Product Digital Cameras
Well Designed	.932
High Tech	.949
Many Features	.955
User Friendly	.907
High Quality	.936
KMO	.899
Chi-sqaure	2011.864
Df.	39

**Scale Testing 4) - Hedonic Product Type, Wine**

The scale used to measure product beliefs about wine suggest a one factor structure for this construct. One factor was extracted with an Eigenvalue exceeding one as per the source of the scale. The single factor explained 76.7% of the variance. As shown in table 10 the loadings all exceeded the minimum standards.

**Table 11 Scale Testing: Attitude Towards Wine**

	Hedonic Product - Wine
Prestigious	.836
Excellent Taste	.904
Attractive Marketing	.790
Nice Aroma	.893
High Quality	.836
KMO	.734
Chi-square	333.087
Df.	4

**Scale Testing 5) - Country Conations**

The three country conation items: would like to buy products from, would like to visit and would like to work in; constitute one factor. As shown in table 11 the items loaded adequately together and explained 86.7% of the variance. The factor was entitled conations.

**Table 12 - Scale Testing Conations**

	Conations
Like To Buy Products From	.830
Like To Visit	.891
Like To Work In	.745
KMO	.634
Chi-square	343.087
Df.	3

### Scale Testing 6) - Purchase intentions

The two items intended to measure purchase intention also loaded together onto one factor. As shown in table 12 both items loaded well above the threshold level and together explained 89.3% of the variance.

**Table 13 - Scale Testing Purchase Intentions**

Conations	
Seriously consider buying	.810
Definitely would buy	.881
KMO	.634
Chi-square	293.017
Df.	1

### 6.5 Reliability Testing

According to Netemeyer, Bearden, and Sharma (2003), various types of methods to measure reliability exist, namely (1) test-retest reliability, (2) alternative forms reliability, and (3) internal consistency reliability. Given the nature of this study where the respondents were presented with the items only once, tests for internal consistency were deemed most appropriate to determine the reliability of the cognitive and affect scales. Reliability testing of each of the scales using Cronbach's alpha was undertaken. The alpha values for each of the scales are detailed in the table below. As can be seen the alpha values obtained for each of the scales range between .756 and .869 and therefore exceed the minimum threshold of .60.

**Table 14 - Reliability Testing**

Scale	Cronbach's alpha
Geo cultural country beliefs	.850
Socio economic country beliefs	.756
Positive country affect	.863
Negative country effect	.757
Hedonic product type -wine	.847
Utilitarian product type – digital cameras	.812
Country conations	.869
Purchase intentions	.869

## 6.6 Manipulation Checks

Firstly, a t-test was run on the mean geo-cultural scores of France and Japan, to determine which scored highest on geo-cultural attributes. The results, (shown in table 13 below) show that the mean rating of geo-cultural beliefs for France was significantly higher than the same beliefs about Japan. This supports the pre-test results; which indicated France was perceived as more hedonic (i.e. stronger on geo-cultural attributes) while Japan was perceived as more utilitarian (i.e. stronger on socio-economic attributes).

**Table 15 - T-Test Geo-Cultural Beliefs**

	<b>France Mean (Std Dev)</b>	<b>Japan Mean (Std Dev)</b>	<b>df</b>	<b>T</b>	<b>Sig</b>
Geo cultural	5.667 (1.086)	5.2111 (1.334)	398	3.706	.000

Again, to firstly determine if Japan was in fact perceived to be more strongly associated with socio-economic attributes than France, a T-test was run on the mean scores of both Japan and France on these attributes. It was found Japan rated more highly on than France as shown in the table below.

**Table 16 - T-Test Socio-Economic Beliefs**

	<b>Japan Mean (Std Dev)</b>	<b>France Mean (Std Dev)</b>	<b>T</b>	<b>Df</b>	<b>Sig</b>
Socio-Economic	5.545 (1.265)	5.0410 (.999)	-4.425	398	.000

Therefore, the analysis moved to the next step to run the regression analysis.

## **6.7 Hypothesis Testing**

Our first hypothesis (H1a) addresses the geo-cultural country beliefs-hedonic product relationship component of research question 1; which is expressed as follows.

**RQ1 - Cognitive beliefs are typically discussed as the main source of COO attitudes but what are the relative effects the internal components of these beliefs, socio-economic and geo-cultural beliefs? Do socioeconomic beliefs matter more for utilitarian products than geo-cultural beliefs and vice versa for hedonic products?**

To address the geo-cultural belief-product relationship, H1a, is expressed as follows.

**H1a. Geo-cultural beliefs about a country are positively related to attitudes towards hedonic products from that country**

Linear regression was used to test the relationship between geo-cultural beliefs about France and French wine and that of Japan and Japanese wine. It was expected there would be a strong positive relationship between geo-cultural beliefs about France and attitudes toward French wine.

On the contrary it was expected the relationship between Japan and wine would not be as strong as that of France and wine.

The results indicate positive attitudes towards hedonic products from a country are stronger when that country is believed to possess strong geo-cultural attributes. The beta value in the case of France and wine is positive and higher than that of Japanese wine. The relationship is significant between France and wine ( $F = 35.348$ ,  $sig = .000$ ). The relationship is also significant between Japan and wine ( $F = 8.085$ ,  $sig = .005$ ).

**Product = Wine**

**Variables Entered/Removed<sup>a,b</sup>**

Model	Variables Entered	Variables Removed	Method
1	Positiveaffect, NegativeEffect, SocioEconomic, GeoCultural <sup>c</sup>		Enter

a. Product = Wine

b. Dependent Variable: Prodwine

c. All requested variables entered.

**Model Summary<sup>a</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.459 <sup>b</sup>	.210	.194	1.09850

a. Product = Wine

b. Predictors: (Constant), Positiveaffect, NegativeEffect, SocioEconomic, GeoCultural

**ANOVA<sup>a,b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.769	4	15.192	12.590	.000 <sup>c</sup>
	Residual	228.069	189	1.207		
	Total	288.838	193			

a. Product = Wine

b. Dependent Variable: Prodwine

c. Predictors: (Constant), Positiveaffect, NegativeEffect, SocioEconomic, GeoCultural

Coefficients <sup>a,b</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.403	.584		4.113	.000
	GeoCultural	.353	.092	.359	3.846	.000
	SocioEconomic	-.207	.093	-.196	-2.212	.028
	NegativeEffect	-.009	.064	-.011	-.142	.888
	Positiveaffect	.225	.070	.263	3.224	.001
a. Product = Wine						
b. Dependent Variable: Prodwine						

The results are shown in table 17 below.

**Table 17 – Regression French Wine and Japanese Wine**

	Adj R Squared	Beta	t	Sig
Wine France	.266	.523	5.945	.000
Wine Japan	.068	.279	2.843	.005

This finding reflects Verleigh's (1999, P 273) research from which the following observation was made; "For foods, of which the production and consumption is closely related to cultural and geographical characteristics of countries, we find that consumers' beliefs about products from different countries are influenced substantially by their perceptions of the geographical aspects of the product's country of origin. Consumer's beliefs about foods are more positive when their country of origin is perceived to have a warmer and sunnier climate, and a more natural landscape."

**Hypothesis 1a. is accepted.**

Our second hypothesis (H1b) addresses the second component of research question 1; the socio-economic country beliefs - utilitarian product relationship.

**H1b. Socio-economic country beliefs are positively related to attitudes towards utilitarian products from that country**

The relationship between geo-cultural beliefs and utilitarian products from utilitarian country was not tested as numerous previous studies have shown that these variables are generally not significantly related.

**Product = Digital Cameras**

**Variables Entered/Removed<sup>a,b</sup>**

Model	Variables Entered	Variables Removed	Method
1	Positiveaffect, NegativeEffect, SocioEconomic, GeoCultural <sup>c</sup>		Enter

a. Product = Digital Cameras

b. Dependent Variable: ProdDigital

c. All requested variables entered.

**Model Summary<sup>a</sup>**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.531 <sup>b</sup>	.282	.268	1.17123

a. Product = Digital Cameras

b. Predictors: (Constant), Positiveaffect, NegativeEffect, SocioEconomic, GeoCultural

**ANOVA<sup>a,b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	108.518	4	27.129	19.777	.000 <sup>c</sup>
	Residual	275.726	201	1.372		
	Total	384.243	205			

a. Product = Digital Cameras

b. Dependent Variable: ProdDigital

c. Predictors: (Constant), Positiveeffect, NegativeEffect, SocioEconomic, GeoCultural

<b>Coefficients<sup>a,b</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.737	.570		1.293	.197
	GeoCultural	-.092	.096	-.083	-.958	.339
	SocioEconomic	.586	.087	.503	6.769	.000
	NegativeEffect	.145	.066	.146	2.185	.030
	Positiveeffect	.184	.075	.196	2.441	.015

a. Product = Digital Cameras

b. Dependent Variable: ProdDigital

**Table 18 – Regression Japanese Digital Cameras/ French Digital Cameras**

	Adj R Squared	Beta	t	Sig
Japanese Digital Cameras	.283	.538	6.358	.000
French Digital Cameras	.113	.349	3.777	.000

**Hypothesis 1b is accepted.** The findings in this study reflect those of Chattalas (2005) who found that national stereotypes that are more competence (socio-economic factors

such as advanced technologically and well-educated people) based, lead to more favourable evaluations of utilitarian products.

**Hypotheses H2a and H2b address research question 2** which examines the relative influence of positive and negative affect towards country-of-origin; and is expressed as follows. **RQ2: If as argued here, affect influences COO attitudes, then what are the relative effects of positive and negative affect?**

Starting with H2a.

**H2a. Positive affect toward a country is positively related to attitudes towards hedonic products from that country**

Yeung and Wyer (2004) suggest that affective responses are more likely to influence hedonic rather than utilitarian products. Mano and Oliver (1993) discovered similar results confirming the hypothesis that utilitarian product evaluation is more cognitive and functional in nature, adding support to the notion that hedonic product evaluation is mostly affective while utilitarian evaluation is mostly cognitive. For this reason, the two hypotheses 2a and 2b did not test affective responses to utilitarian products.

The linear regression used to test H2a, indicate a positive relationship between affect and impressions of attitudes towards wine. The beta value (.263) in table 19 below in the case of affect and wine is positive which indicates positive affect correlates with positive attitudes towards hedonic products.

**Table 19 – The Relationship Between Positive Affect and Hedonic Products**

	Adj R Squared	F	df	Beta	t	Sig
Positive Affect	.194	12.590	4	.263	.224	.001

**Hypothesis 2a is accepted.**

Hypothesis 2b tests the relationship between negative affect towards a country and attitudes towards hedonic products from that country. H2b is expressed as follows.

**H2b. Negative affect felt towards a country is negatively related to attitudes towards hedonic products from that country.**

In table 20 below we can see, the beta value of (-0.011) does indicate a slight correlation between negative affect and hedonic products. But the influence is minimal.

**Nonetheless hypothesis 2b is accepted.**

**Table 20 – The Relationship Between Negative Affect and Hedonic Products**

	Adj R Squared	F	df	Beta	t	Sig
Negative Affect	.194	12.590	4	-.011	-.142	.888

Research question three, shown below, is one of the most important to the central purpose of that research study. That is does affect (the feelings and emotions a consumer may have towards a country) matter most to their evaluation of hedonic products. Correspondingly do a consumer's beliefs about a country's socio-economic characteristics matter most to their evaluation of utilitarian products.

**RQ3: If we compare the relative effects of cognitive beliefs and affect - do socioeconomic beliefs matter more than affect for utilitarian products and affect more than geo-cultural beliefs for hedonic products?**

To answer research question 3, two hypotheses were developed. Firstly, the relationship between affect towards a country and attitudes towards hedonic products from that country are examined to determine whether positive emotions and feelings towards a country and products from that country, has a greater influence on attitudes towards hedonic products than geo-cultural beliefs, shown by hypothesis 3a below.

**H3a. The relationship between country affect and hedonic products will be stronger than that of geo-cultural beliefs on hedonic products.**

We suspected that the correlation between positive affect and attitudes towards hedonic products would be stronger than that of the beliefs and knowledge of that country's geo-cultural attributes and their attitudes.

However, the results indicate this is not the case, at least in the case of the country and product stimulus chosen for this research.

As shown in figure 20 below, the correlation between positive geo-cultural beliefs and attitudes to French wines (beta value 0.359) is stronger than that of positive emotions responses – affect (.263) and wine; indicating the geo-cultural beliefs about the country tested, France, have a greater influence on attitudes towards the hedonic product, wine than does affect. **Therefore, hypothesis 3a is rejected.**

**Table 20– The Relationship Between Affect and Hedonic Products**

	Adj R Squared	F	df	Beta	t	Sig
Positive Affect	.194	12.590	4	.263	.224	.001
Geo Cultural				.359	3.846	.000

The second hypothesis to address research question 3, examines the relationship between socio-economic country beliefs and utilitarian products. This hypothesis sought to determine, if as expected, the relationship between consumers beliefs about a country's socio-economic attributes was greater than that of positive affect and attitudes to utilitarian products from the country. Thus, hypothesis 3b, is stated as follows.

**H3b. The influence of socioeconomic beliefs about a country on attitudes towards utilitarian products from that country will be stronger than positive affect.**

As shown in table 21 below, the beta value (.503) measure of the strength of relationship between socio-economic country beliefs and attitudes towards utilitarian products is positive and greater than that of positive affect and utilitarian products. This indicates the cognitive component (i.e. socio-economic beliefs) of country attitudes toward a are more important to attitude to utilitarian products than affect. The results are shown in table 21 below. **Hypothesis 3b is accepted.**

**Table 21– Affect, Socioeconomic Beliefs and Utilitarian Products**

	Adj R Squared	F	df	Beta	t	Sig
Positive Affect	.268	19.777	4	.196	2.441	.015
Socio Economic				.503	6.769	.000

**Research question 4**, shown below; sought to consolidate the research findings to answer the broader but key question. Overall how do beliefs about a country (cognition) and affect (feelings and emotions) felt towards a country, influence attitudes to products from that country?

**RQ4: Overall how do beliefs about a country (cognition) and affect felt towards a country, influence attitudes to products from that country?**

This question will be answered by discussing the relevant results from previous hypotheses, as a result we have not created a specific hypothesis to answer RQ4.

We found when comparing the relationship between affect and attitudes towards utilitarian products to that of affect and hedonic products; while the relationship between positive affect and utilitarian products was positive, the correlation was significantly weaker than that between positive affect and hedonic products. These findings provided an initial indication that positive affect for a country is a more influential antecedent to positive evaluations of hedonic products from that country than towards utilitarian products. Put simply feelings and emotions matter to the evaluation of products such as wine and fragrances. An insight well understood by international marketers, given the predominance of emotional cues to be found in much fragrance advertising.

But when we explored the relative strength of relationships between affect/cognition and hedonic/utilitarian products; the results were surprising.

As expected the socio-economic beliefs (cognition) about a country mattered most to evaluations of utilitarian products from that country. We hypothesised that the strength of positive affect would matter more than geo-cultural beliefs to the evaluation of hedonic products. However, the results indicate this is not the case, at least in the case of the country and product stimulus chosen for this research. It appears country cognitions (geo-cultural and socio-economic) have a stronger influence upon country product attitudes than affect.

This result may be due to the choice of wine as the hedonic product in this research. In contrast to the marketing of fragrances, geo-cultural cues are arguably predominant in the marketing and advertising of wine; while affective cues are generally subordinate.

Such commonly used geo-cultural cues include provenance of the wine, the reference to seasons – for example, “a Beaujolais Nouveau sold on the third Thursday in November”; “artisanal” imagery, such as that of the winemaker draw the wine from an oak cask, early morning photographs of vineyards, the vines, plump, the leaves a rich green, the grapes heavy with the night dew.

Several of the geo-cultural cognitive belief items used in our scale, may have inadvertently prompted this unexpected result. These being – Country XXX has a rich culture, a beautiful landscape, an attractive climate, a rich history.

To conclude our examination of the relative influences of cognitive beliefs and affective responses towards a country on the overall attitudes towards hedonic and utilitarian products from that country, research question five posed the following.

**RQ5: are attitudes toward utilitarian products manufactured in utilitarian countries will be stronger than utilitarian products manufactured in non-utilitarian countries and are attitudes toward hedonic products manufactured in hedonic countries will be stronger than utilitarian products manufactured in non-hedonic countries?**

This question was evaluated with hypotheses 4a and 4b as follows. Beginning with hypothesis 4a.

**H4a. Attitudes toward hedonic products from a hedonic country will be stronger than a non-hedonic country.**

As shown in table 22 below the mean of France wine is 4.78 (SD = 1.06) which is higher than mean of Japan wine 3.72 (SD = 1.15) with difference significant: F = 37.07, Sig = .000 (post hoc test MD = 1.06, SE = .17, Sig=0.000).

<b>Table 22: Descriptive Statistics</b>				
<b>Product Wine</b>				
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error</b>
<b>France/Wine</b>	<b>96</b>	<b>4.7768</b>	<b>1.05871</b>	<b>.10805</b>
<b>Japan/Wine</b>	<b>98</b>	<b>3.7187</b>	<b>1.14900</b>	<b>.11607</b>

**Table 23: ONE WAY ANOVA**

**Product Wine**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Groups	149.906	3	49.969	37.068	<b>.000</b>
Within Groups	533.818	396	1.348		
Total	683.724	399			

**Table 24: Post Hoc Tests**

<b>Multiple Comparisons</b>						
<b>Dependent Variable: Product Wine</b>						
<b>Bonferroni</b>						
<b>(I)</b> <b>Country/Product</b>	<b>(J)</b> <b>Country/Product</b>	<b>Mean Difference (I-J)</b>	<b>Std. Error</b>	<b>Sig.</b>	<b>95% Confidence Interval</b>	
					<b>Lower Bound</b>	<b>Upper Bound</b>
<b>Japan/Wine</b>	<b>France/Digital Camera</b>	<b>-.22012</b>	<b>.16308</b>	<b>1.000</b>	<b>-.6525</b>	<b>.2123</b>
	<b>France/Wine</b>	<b>-1.05813*</b>	<b>.16673</b>	<b>.000</b>	<b>-1.5002</b>	<b>-.6160</b>

**\*. The mean difference is significant at the 0.05 level.**

**Therefore, Hypothesis 4a is accepted.**

**H4b. Attitudes toward utilitarian products from a utilitarian country will be stronger than a non-utilitarian country. accepted (based on ANOVA 1).**

As shown in table 25 below the mean of Japan digital camera is 5.22 (SD = 1.40) which is higher than mean of France digital camera wine 3.94 (SD = 0.99)

**Table 25: Descriptive Statistics**

<b>Product Wine</b>				
	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error</b>
<b>France/Digital Camera</b>	<b>105</b>	<b>3.9388</b>	<b>.99170</b>	<b>.09678</b>
<b>Japan/Digital Camera</b>	<b>101</b>	<b>5.2235</b>	<b>1.40355</b>	<b>.13966</b>

**Table 26: ONE WAY ANOVA**

**Product Wine**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>Between Groups</b>	<b>149.906</b>	<b>3</b>	<b>49.969</b>	<b>37.068</b>	<b>.000</b>
<b>Within Groups</b>	<b>533.818</b>	<b>396</b>	<b>1.348</b>		
<b>Total</b>	<b>683.724</b>	<b>399</b>			

The One-Way ANOVA indicates the difference between the means is significant as shown in table with difference significant:  $F = 37.07$ ,  $Sig = .000$  (post hoc test MD = 1.28, SE = .16, Sig=0.000).

**Based on the One-Way ANOVA, Hypothesis 4b is accepted**

**Table 26: Post Hoc Tests**

**Multiple Comparisons**

**Dependent Variable: Product Wine**

**Bonferroni**

(I) Country/Product	(J) Country/Product	Mean Difference (I- J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
France/Digital Camera	France/Wine	-.83801*	.16395	.000	-1.2727	-.4033
	Japan/Digital Camera	-1.28470*	.16182	.000	-1.7138	-.8556
	Japan/Wine	.22012	.16308	1.000	-.2123	.6525

\*. The mean difference is significant at the 0.05 level.

Finally, though outside of the scope of the five research questions presented, the relationship between COO attitudes and product purchase intentions will be tested with H5.

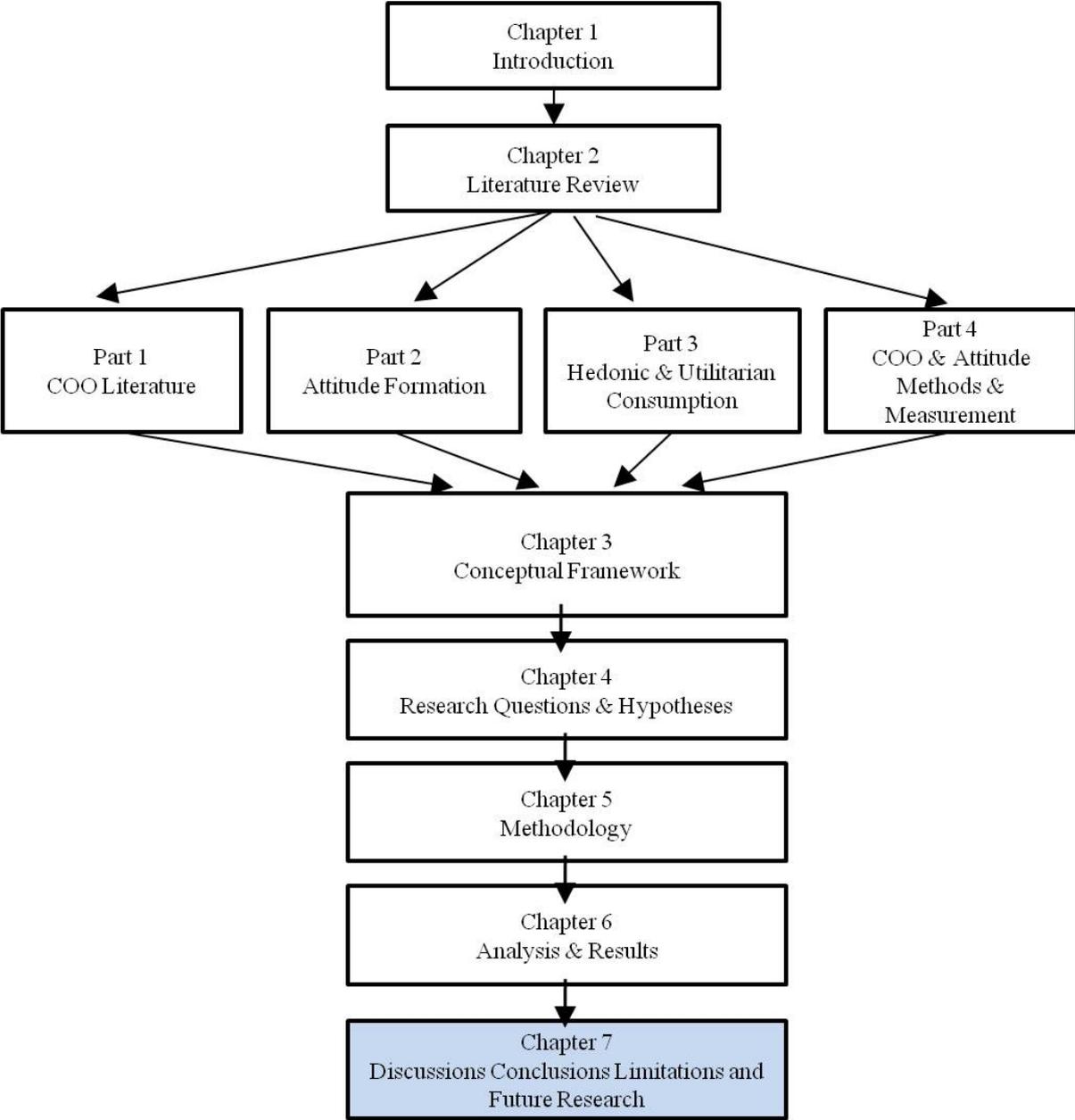
**H5. Country product attitudes are positively related to conations** (i.e. would seriously consider buying and would definitely buy) was tested.

As expected there is a strong positive relationship between the two **thus hypothesis 5 is accepted.**

**Table 22– The Relationship Between Country Product Attitudes and Conations**

Adjusted R Square	F	df	Beta	t	Sig
.144	67.908	1	.382	7.790	.000

**Chapter Seven - Discussion and Conclusions**



## **7.1 Introduction**

Our research sought to develop a richer understanding of how consumers form attitudes towards foreign countries, the products that originate from these countries and the mental processes involved in the formation of these attitudes.

We sought to address two perceived information deficits in country of origin research. The first of these is that the majority of country of origin studies focus on attitudes towards the products of a country and tend to ignore the role of a person's impressions about the country itself and its' people in helping form these attitudes (Askegaard and Ger 1998, Bilkey and Nes 1982, d'Astous and Ahmed 1999). The second is the long-standing focus of country of origin research on the cognitive (thoughts and beliefs) component of attitudes towards a country's products; when social psychological theory has long held that attitudes are formed through the combined influences of cognitions (thoughts and beliefs) and affect (feelings and emotions) towards the attitude object (Bless 2001, Breckler and Wiggins 1991, Claeys, Swinnen and Vanden 1995, Verlegh, 2003).

## **7.2 What about the internal structure of country attitudes?**

We begin with a discussion of the first of these information deficits, how we sought to address them in this study and the results of our research. We noted that a significant proportion of COO research over nearly half a century has focused narrowly on the country of origin as a simple cue to product quality, without exploring how consumer attitudes towards a country develop, how these attitudes are structured and which components of this structure is influential in shaping product attitudes (e.g., Roth and Romeo, 1992).

Rather than confine our investigation to consumer perceptions of the attributes (e.g. quality, prestige, durable) of products when informed of the country of origin; we aimed to broaden our investigation to explore the environmental or “macro” attributes and characteristics that consumers perceive a country to possess and how these interact to influence perceptions towards the country and its' products. These we termed the

consumer's cognitive thoughts and beliefs about the characteristics of a country and its' people.

This broadening of country of origin research to investigate perceptions of the country and its' products has been undertaken by a number of researchers in recent decades, with the result of a more textured understanding of country image and its' influence on the image of products from that country (e.g., Häubl 1996; Johansson et al. 1994; Knight and Calantone 2000; Lee et al. 1992; Li et al. 1997; Manrai et al. 1998; Parameswaran and Pisharodi 1994; Pisharodi and Parameswaran 1992).

Attitudes towards countries vary in the makeup of these internal cognitions or beliefs about the country. As shown in our pre-test and further validated in the main research, consumers' attitudes toward some countries are more heavily influenced by their beliefs about the country's geo-cultural attributes including the country's climate, history, landscape and culture. Mediterranean European countries such as France, Italy and Spain fit this profile. On the other hand attitudes towards other countries are more heavily influenced by their perceived socio-economic characteristics including perceptions of the education levels of its' citizens, beliefs about the competence of the country's workers, about the level of economic development of the country and the degree of technological advancement of the country. Our pre-test also indicated that beliefs about Germany, Japan and to a lesser extent the United Kingdom lean towards socio-economic characteristics.

Although the range of these environmental aspects is wide, a review of literature found that about a dozen economic, political and cultural characteristics recur systematically. (Askegaard and Ger, 1997; Parameswaran and Pisharodi 1994). From these we selected nine items for inclusion in our pre-test. Four representing the socio-economic characteristics of a country, one representing the political and four representing the geographic and cultural aspects of a country. We anticipated that "democratic country" would be more likely to be within a broad socio-economic characteristic grouping than geo-cultural.

These same nine characteristics were retained for use in the final survey; and using exploratory factor analyses found they loaded on two broad factors, geo-cultural and socioeconomic beliefs, with one exception "democratic country" which fell below our threshold levels for acceptance for the socio-economic factor. This item was removed and the remaining eight items for further analysis were four geo-cultural items - landscape, culture, climate and history and four socio-economic - education, people's competence, economy and technological advancement.

The results from our study oppose the assumption that the country of origin of a product while influential is a one-dimensional information cue that consumer's use as a signal to product quality and desirability. (Roth and Diamantopoulos 2009).

Instead we have found that consumers indeed do possess a rich network of associations for countries with which they are familiar and have a certain degree of knowledge. We acknowledge that in large part, the degree of familiarity and knowledge a consumer holds in relation to a country's geo-cultural and socio-economic attributes determines to what extent they associate certain products with specific countries and the strength of their attitudes towards that country. For example when that knowledge base is limited a consumer may make a "snap judgment" based on that limited knowledge and experience; such as "I didn't know Chile produced wine, so I'm not about to try it now". This has implications for the choice of sample and the country in which the research is being conducted. We found this to be the case in our pre-test and the final survey; where we found a positive correlation between the self-reported degree of country knowledge and the strength of cognitive thoughts and beliefs about the country.

A certain level of consumer familiarity with a country and its' products is a pre-requisite to provide reliable answers about the country image in terms of its cognitive and affective components. Lack of such familiarity leads to simpler more superficial country images, which in turn jeopardises both the country image's confidence value (e.g., Johansson, 1989) and predictive value (e.g., Eroglu and Machleit, 1989). This, in turn, decreases the usefulness of country images as determinants of product attitudes. For this reason, for the purposes of this study, it was important to select countries for the main research that respondents were more familiar with, in order for

us to adequately explore that notion that a rich network of associations combine to influence attitudes towards countries and their products.

Having established that a person's attitudes toward a country contain a cognitive component that is made up of two dimensions (i.e. geo-cultural and socio economic thoughts and beliefs about the country); we next sought to understand if this same attitude construct contains an affective (feelings and emotions) component. The exploratory factor analysis indicates this to be the case; in that a person's attitude to a country are also influenced by positive and negative emotions and feelings.

We found that indeed the internal structure of the country attitude construct is comprised of both cognitive and affective components. This reflects the recent findings of Han (2008) and Diamantopoulos (2011). It also suggests future country of origin research could benefit from adopting a two component view of attitudes.

### **7.3 How does this internal structure of country attitudes influence attitudes towards products?**

Having established these foundations, the focus of the study moved to the first research question; which sought to determine the relative roles of cognition and affect in the formation of attitudes towards countries and their products. Four hypotheses were created to address this research question.

The first two hypotheses suggested that the relative influence of the two types of cognitions, or beliefs about a country (i.e. geo cultural beliefs about a country's culture, landscape, history, climate and landscape and socio-economic beliefs about a country's people, technological prowess and economy) would differ according to the product types being assessed. In particular we sought to assess these influences on attitudes towards hedonic products as compared with utilitarian products.

Drawing on the work of Chattalas (2006), Holbrook and Hirschman (1982), Mano and Oliver (1993) and Verlegh (1999); in H1, we anticipated that positive geo-cultural beliefs about a country would have a positive influence on attitudes towards hedonic products from that country. This was found to be the case, in that respondents held

stronger positive attitudes towards wine from France, a country they also rated highly on geo-cultural attributes; than wine from Japan a country rated less highly on those same attributes.

The findings reflected Verlegh's (1999, p 273) observations about food, a hedonic product that "For foods, of which the production and consumption is closely related to cultural and geographical characteristics of countries, we find that consumers' beliefs about products from different countries are influenced substantially by their perceptions of the geographical aspects of the product's country of origin."

H2 by contrast stated that positive socio-economic beliefs would positively influence attitudes towards utilitarian products from the country. This was also found to be the case with digital cameras (a utilitarian product) from Japan (a country rated more highly on socio-economic characteristics than France). These findings reflect those of Chattalas (2005) who found that national stereotypes that are more competence (socio-economic factors such as advanced technologically and well educated people) based, lead to more favourable evaluations of utilitarian products.

H3 and H4 examined the role of affect in forming attitudes towards a country's products. As mentioned previously research by Yeung and Wyer (2004) suggests that affective responses are more likely to have an influence on attitudes to hedonic rather than utilitarian products. Mano and Oliver (1993) discovered similar results confirming the hypothesis that utilitarian product evaluation is more cognitive and functional in nature. H3 suggested there would be a positive relationship between affect for a country and attitudes towards wine (a hedonic product) from that country. This was found to be the case. These results were expected and build upon LeClerc's (1994) findings that attitudes towards hedonic products with French names or brand names were positively influenced by consumer's affective responses. More precisely these findings correlate with Mano and Oliver (1993) who confirmed that products that rated high on a scale measuring hedonic attributes were closer to the consumer's affective experience, as measured by both a "pleasantness" and "positive affect" scale, than products that rated high on a utilitarian attributes scale. Finally they also support Hirschman and Holbrook's (1982) suggestions that affective responses towards a country of origin may disproportionately influence a person's attitude towards hedonic products such as food and wine.

However we found that when compared with the influence of geo-cultural attitudes towards a country and hedonic products the relationship was not as strong. Indicating that cognitive beliefs about a country's geo-cultural characteristics are more influential in the formation of attitudes towards hedonic products than affect.

In H4 the relationship between affect and attitudes towards digital cameras was compared to that of wine. We found there was also a positive relationship between affect and digital cameras, though the correlation was not as strong as that between affect and wine. This result was unexpected, although it still appears that affect has a greater influence upon hedonic versus utilitarian product attitudes.

Reinforcing this finding, the analysis indicated for utilitarian products, the influence of a cognitions about a country's socio-economic characteristics are significantly greater than that of affect. These findings might be expected when we consider that utilitarian products are consumed mainly for the functional benefits they deliver. It also supports the previous research of Yeung and Wyer (2004) and Oliver (1993). Nonetheless, it appears the influence of cognitions (be they geo-cultural or socio-economic) upon attitudes towards a country's products may be more significant than that of affective responses, even in the case of hedonic products.

The second research question related to how do these resulting attitudes towards a country influence consumer behaviour. The final hypothesis assessed the relationship between country product attitudes and conations towards those products. As expected when a consumer holds positive attitudes towards a country and the product under evaluation, they are also likely to seriously consider purchasing or trying the product.

#### **7.4 Managerial Contributions**

For the marketer, this study has reaffirmed the importance of understanding your target market's perceptions and attitudes towards the more general environmental characteristics of the country of origin of the product you are tasked with promoting.

Moreover, the implications from these findings are that when seeking to determine the brand/product positioning, identity and attributes of a hedonic product such as food, drinks or perfume. If the product's origin is a country or region that rates highly on geo-cultural attributes it could be beneficial to integrate that origin into the brand identity. Successful examples abound and include fine gourmet Tasmanian foods, French wines, Californian oranges and even Italian fashion.

Interestingly there are examples of brands in traditionally hedonic product categories that have cleverly overcome what at first glance might seem a disadvantage of their origin. Shiseido from Japan comes to mind. Cosmetics are typically seen as hedonic products. Yet Shiseido has capitalized on the consumer insight that they believe their skin is never perfect so they keep trying new and different products in the hope of eventually reaching that elusive goal. Shiseido pioneered the idea of associating technology with new advanced cosmetics ingredients, to deliver advanced solutions and position the brand at the premium end of the market. Another aspect of this ingenuity was the fact that as a Japanese brand Shiseido's country of origin was not typically associated with the hedonic category of cosmetics; but rather for technological advancement. In stressing the country of origin and leveraging technology Shiseido turned what could have been an Achilles heel into an advantage.

On the other hand our study affirms that positive impressions of a country's "human" characteristics – or as we've termed socio-economic characteristics can be powerful levers by which to position and promote utilitarian products. Hence in our study respondent's largely held positive impressions of Japanese technology, the competence of its workers and the education levels of its people and this positively impacted their impressions of Japanese digital cameras. Respondent's impressions of the socio-economic characteristics of France by contrast, were not as positive and this appeared to lessen the appeal of the same utilitarian product when presented as originating from France. We might anticipate that if Japan was replaced with Germany, a similar relationship might be seen.

This study suggests that consumers' beliefs toward a country's products are affected not only by their prior experience with these products, but also by their composite attitude toward a country, including their cognitions and feelings.

With respect to the cognitive component of country images, we differentiate between geo-cultural factors (climate and natural landscape), and socio-economic factors (competence, technology and education). Additionally we suggest that the image of a country also has an affective component made up of the positive and negative feelings toward that country.

## **7.5. Theoretical contributions**

Overall, this dissertation should be seen as an attempt to further fine-tune the theoretical understanding of country of origin effect. We gained more insight into the functioning of country of origin effects by seeking to better understand the consumer's interpretation of a range of country related characteristics. As a result in addition to reaffirming the fact that country of origin stimuli influences product attitudes, we were able to gain a richer understanding of how and why they do so.

As we discussed in the introduction to this study, academic opinion on the usefulness of country of origin information in marketing is far from unified. Many have concluded that country of origin is an increasingly unimportant concept in a globalised world of hybrid sourced products. Others argue that the country's more general social, economic, geographic and cultural characteristics have little influence on consumer's product beliefs. By contrast one of our study's most important findings is that varying facets of a consumer's overall attitude towards a country influence their attitudes towards different products from that country.

## **7.3 Limitations and Future Research**

As with all studies, the present study has a number of limitations. To begin with, the study was designed and implemented in a single cue setting. It utilised intangible product and country stimulus, with only written descriptions. The meta-analyses of Peterson and Jolibert (1995) and Verlegh and Steenkamp (1999), found the use of such written descriptions can result in an overestimation of the impact of the country of origin effects.

Future research might utilise a “multicue setting” where the country of origin information is offered is offered to respondents together with additional product or marketing and brand related information. This might allow us to investigate their mutual interactions. It might be that, in situations where marketing stimuli are offered to subjects with the intention of informing them about the product’s quality, brand values and attributes, such additional product info is judged to be of superior evaluative value than any internally stored thoughts about the country's social, economic and cultural characteristics This in turn might be resulting in a substantial decrease of the size of country image effects.

Several setting-related factors diminish the external validity of our results. For example, we worked with a limited number of countries and products. Future studies could examine is similar effects might be found for a broader range of countries and products. Additionally the choice of countries and products taken from the pre-test were based on strong associations with the variables we wished to examine (i.e. geo-cultural versus socio-economic country image and utilitarian versus hedonic product image). Further research with countries and products less clearly defined might yield very different results. Our use of a convenience sample of students rather than a true random sample of the Australia population further limits external validity. This led to a skewed sample in terms of educational attainment; higher than a true population sample and age; younger than that which would be reflected in the overall population. Future studies could adopted stratified or random sampling methodology; rather than convenience to obtain a sample of respondents more reflective of the population at large.

Another limitation of the present study results from difficulty inherent in deriving an accurate measure of affect or country affect respectively, as “self-rated affective reactions are a mix of cognitive and affective reactions. When asked for their affective reactions, respondents must think about them” (Derbaix 1995, p. 471). Although a thorough literature review on affect and emotions measurement led us to select the Positive and Negative Affect Scale (PANAS) as a suitable measurement instrument of affect; we have to be aware of the fact that the results are to a certain extent still affected by cognition.

The absence of significant influences of the affect variables upon attitudes towards hedonic products in particular was of surprise to us. The weak scores for this construct may be partly due to the fact that no scales were at our disposition for measuring feelings related to a country (Oberecker and Diamantopoulos 2011); whereas there are several reliable and valid scales for the measurement of affect in general. Many of the items in the PANAS scales have been shown to be reliable and valid in measuring peoples affect in general, but for our study, which focused on the feelings evoked by a foreign country, these might have been less relevant. A significant contribution to the country of origin research field would be the development of a “country-of-origin-specific” affect scale.

Nonetheless the findings have help us gain a richer understanding of the composition of attitudes towards countries and products. We find that attitudes towards a country’s products are influenced by both thoughts, or cognitions towards the country and emotions and feelings, or affective responses towards the country and the product under evaluation.

We find that cognitive and affective processes are not separate and independent determinants of preferences and behaviours. In our study we distinguished between cognitive and affective aspects of country of origin. In reality, the boundaries between these aspects are fluid, and country-of-origin effects are most likely caused by the interplay of cognitive and affective aspects.

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## **APPENDIX - QUESTIONNAIRES & INFORMATION SHEET**

### **1. Information Sheet**

**John Gregg**

Masters Student

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### **Information Sheet**

You are being asked to participate in an academic research study that examines how consumers think about products from other countries. The aim of this study is to establish a deeper understanding of attitudes towards countries and their products and determine if differences in these attitudes leads to biases towards certain product types originating from these countries.

Please read the information below to determine if you wish to complete the survey. Your participation is entirely voluntary and you can discontinue the survey at any time.

I am a graduate student in the School of Marketing at Curtin University in Perth and this research has been approved by the Curtin University Human research Ethics Committee (approval number: ). If required, verification of approval can be obtained either by writing to the Curtin University Human Research Ethics Committee, c/- Office of Research and Development, Curtin University of Technology, GPO Box U1987, Perth 6845 or by telephoning 9266 9223 or by emailing hrec@curtin.edu.au.

Be assured that all of your responses will be confidential and anonymous. The resulting data will only be accessed by me and my supervisor.

Please answer each question in this survey to the best of your knowledge. The survey should take you about 10-12 minutes to complete. If you miss answering a question, please return to it and try to answer before handing the questionnaire back. Also, all of the questions concern your own personal thoughts and opinions, so there are no wrong answers. We are only interested in your opinions. The goal is solely to determine how people think about products and the countries that they come from. If you have any questions or concerns about this study, please feel free to contact myself or my supervisor.

John Gregg

School of Marketing

Curtin University

[johngregg@postgrad.curtin.edu.au](mailto:johngregg@postgrad.curtin.edu.au)

## 2. Questionnaires

### Questionnaire 1 – France/ Digital Cameras

#### Country Beliefs – Socio Economic & Geo Cultural

Now we would like you to answer some general questions about a country and some of the products from this country. Please click on the box that most corresponds to your agreement/disagreement with each statement; whereby 1 = “strongly disagree” to 7 = “strongly agree”.

	Strongly disagree				Strongly agree		
1. France has a <u>developed economy</u>	1	2	3	4	5	6	7
2. People from France <u>are well educated</u>	1	2	3	4	5	6	7
3. French people are <u>competent workers</u>	1	2	3	4	5	6	7
4. France is a <u>technologically advanced country</u>	1	2	3	4	5	6	7
5. France <u>is a democratic country</u>	1	2	3	4	5	6	7
6. France has a <u>rich culture</u>	1	2	3	4	5	6	7
7. France has a <u>beautiful landscape</u>	1	2	3	4	5	6	7
8. France has an <u>attractive climate</u>	1	2	3	4	5	6	7
9. France has a <u>rich history</u>	1	2	3	4	5	6	7

### **Country – Feelings & Emotions**

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
	1	2	3	4	5	6	7
10. France is a country <u>I admire</u>	1	2	3	4	5	6	7
11. France makes me feel <u>excited</u>	1	2	3	4	5	6	7
12. <u>I like</u> France	1	2	3	4	5	6	7
13. I feel <u>affinity</u> with France	1	2	3	4	5	6	7
14. I am <u>curious</u> about France	1	2	3	4	5	6	7
15. France makes me <u>fearful</u>	1	2	3	4	5	6	7
16. I <u>don't trust</u> French people	1	2	3	4	5	6	7
17. French people <u>annoy</u> me	1	2	3	4	5	6	7
18. France makes me <u>angry</u>	1	2	3	4	5	6	7

### **Country Intentions**

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
	1	2	3	4	5	6	7
19. I would like to <u>buy French products</u>	1	2	3	4	5	6	7
20. I would like to <u>visit</u> France.	1	2	3	4	5	6	7
21. I would like to <u>work</u> in France.	1	2	3	4	5	6	7

### **Country Product Beliefs - Digital Cameras**

Now consider a digital camera from **France**. Please choose the number in the scale that best reflects your opinion of French Digital Cameras

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
22. Digital Cameras from France are <u>well designed</u>	1	2	3	4	5	6	7
23. Digital Cameras from France are <u>high tech</u>	1	2	3	4	5	6	7
24. Digital Cameras from France <u>have many features</u>	1	2	3	4	5	6	7
25. Digital Cameras from France are <u>user friendly</u>	1	2	3	4	5	6	7
26. Digital Cameras from France are <u>high quality</u>	1	2	3	4	5	6	7
27. I would <u>seriously consider</u> buying a French Digital Camera	1	2	3	4	5	6	7
28. I <u>definitely would buy</u> a French Digital Camera	1	2	3	4	5	6	7

### **Country Knowledge**

Please indicate the degree to which you agree or disagree with the following statements:

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
29. I believe I know a lot about France	1	2	3	4	5	6	7
30. I am quite familiar with products from France	1	2	3	4	5	6	7
31. I own/have owned French products.	1	2	3	4	5	6	7
32. I am quite familiar with French Digital Cameras	1	2	3	4	5	6	7

**Demographic Information**

Finally, to compare your answers with others, please provide the following information

**33. Could you please tell me your country of birth?**

- |           |   |
|-----------|---|
| Australia | 1   |
| China     | 2   |
| Malaysia  | 3   |
| Indonesia | 4   |
| Singapore | 5   |
| Japan     | 6   |
| France    | 7   |
| Other     | 8 (Please write your country of birth in the space below) |

.....

**34. Gender**

- |           |   |
|-----------|---|
| 1) Male   | 1 |
| 2) Female | 2 |

**35. Age**

- |                      |   |
|----------------------|---|
| a. 18 – 25 years old | 1 |
| b. 26 – 34yrs        | 2 |
| c. 35 – 44yrs        | 3 |
| d. Over 45 years     | 4 |

**36. Education – Please circle the highest level of education you have received to date**

- |                            |                            |
|----------------------------|----------------------------|
| a. High school certificate | b. TAFE/Vocational diploma |
| c. Undergraduate degree    |                            |
| d. Post graduate degree    | e. Other – Please Specify  |

.....

**Thank you for your time and effort**

## Questionnaire 2 – France/Wine

### Country Beliefs – Socio Economic & Geo Cultural

Now we would like you to answer some general questions about a country and some of the products from this country. Please click on the box that most corresponds to your agreement/disagreement with each statement; whereby 1 = “strongly disagree” to 7 = “strongly agree”.

	Strongly disagree				Strongly agree		
1. France has a <u>developed economy</u>	1	2	3	4	5	6	7
2. People from France <u>are well educated</u>	1	2	3	4	5	6	7
3. French people are <u>competent workers</u>	1	2	3	4	5	6	7
4. France is a <u>technologically advanced country</u>	1	2	3	4	5	6	7
5. France is a <u>democratic country</u>	1	2	3	4	5	6	7
6. France has a <u>rich culture</u>	1	2	3	4	5	6	7
7. France has a <u>beautiful landscape</u>	1	2	3	4	5	6	7
8. France has an <u>attractive climate</u>	1	2	3	4	5	6	7
9. France has a <u>rich history</u>	1	2	3	4	5	6	7

**Country – Feelings & Emotions**

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
10. France is a country <u>I admire</u>	1	2	3	4	5	6	7
11. France makes me feel <u>excited</u>	1	2	3	4	5	6	7
12. <u>I like</u> France	1	2	3	4	5	6	7
13. I feel <u>affinity</u> with France	1	2	3	4	5	6	7
14. I am <u>curious</u> about France	1	2	3	4	5	6	7
15. France makes me <u>fearful</u>	1	2	3	4	5	6	7
16. I <u>don't trust</u> French people	1	2	3	4	5	6	7
17. French people <u>annoy</u> me	1	2	3	4	5	6	7
18. France makes me <u>angry</u>	1	2	3	4	5	6	7

**Country Intentions**

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
19. I would like to <u>buy French products</u>	1	2	3	4	5	6	7
20. I would like to <u>visit</u> France.	1	2	3	4	5	6	7
21. I would like to <u>work</u> in France.	1	2	3	4	5	6	7

### **Country Product Beliefs – Wine**

Now consider wine from **France**.

Please choose the number in the scale that best reflects your opinion of French wine

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
22. French wine is <u>prestigious</u>	1	2	3	4	5	6	7
23. French wine would have an <u>excellent taste</u>	1	2	3	4	5	6	7
24. French wine <u>packaging and labelling is attractive</u>	1	2	3	4	5	6	7
25. French wines will have a <u>nice aroma</u>	1	2	3	4	5	6	7
26. I believe wine from France would be <u>good quality</u>	1	2	3	4	5	6	7
27. I would <u>seriously consider</u> buying a French wine	1	2	3	4	5	6	7
28. I <u>definitely would buy</u> French wine	1	2	3	4	5	6	7

### **Country Knowledge**

Please indicate the degree to which you agree or disagree with the following statements:

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
29. I believe I know a lot about France	1	2	3	4	5	6	7
30. I am quite familiar with products from France	1	2	3	4	5	6	7
31. I own/have owned French products.	1	2	3	4	5	6	7
32. I am quite familiar with French wine	1	2	3	4	5	6	7

**Demographic Information**

Finally, to compare your answers with others, please provide the following information

**33. Could you please tell me your country of birth?**

- Australia 1
- China 2
- Malaysia 3
- Indonesia 4
- Singapore 5
- Japan 6
- France 7
- Other 8 (Please write your country of birth in the space below)

.....

**34. Gender**

- 1) Male 1
- 2) Female 2

**35. Your Age**

- a. 18 – 25 years old 1
- b. 26 – 34yrs 2
- c. 35 – 44yrs 3
- d. Over 45 years 4

**36. Please circle the highest level of education you have received to date**

- a. High school certificate
- b. TAFE/Vocational diploma
- c. Undergraduate degree
- d. Post graduate degree
- e. Other – Please Specify

.....

**Thank you for your time and effort**

## Questionnaire 3– Japan/ Digital Cameras

### Country Beliefs – Socio Economic & Geo Cultural

Now we would like you to answer some general questions about a country and some of the products from this country. Please click on the box that most corresponds to your agreement/disagreement with each statement; whereby 1 = “strongly disagree” to 7 = “strongly agree”).

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
1. Japan is a <u>developed economy</u>	1	2	3	4	5	6	7
2. People from Japan are <u>well educated</u>	1	2	3	4	5	6	7
3. Japanese people are <u>competent workers</u>	1	2	3	4	5	6	7
4. Japan is a <u>technologically advanced country</u>	1	2	3	4	5	6	7
5. Japan <u>is a democratic country</u>	1	2	3	4	5	6	7
6. Japan has a <u>rich culture</u>	1	2	3	4	5	6	7
7. Japan has a <u>beautiful landscape</u>	1	2	3	4	5	6	7
8. Japan has an <u>attractive climate</u>	1	2	3	4	5	6	7
9. Japan has a <u>rich history</u>	1	2	3	4	5	6	7

### **Country – Feelings & Emotions**

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
10. Japan is a country I <u>admire</u>	1	2	3	4	5	6	7
11. Japan makes me feel <u>excited</u>	1	2	3	4	5	6	7
12. I <u>like</u> Japan	1	2	3	4	5	6	7
13. I feel <u>affinity</u> with Japan	1	2	3	4	5	6	7
14. I am <u>curious</u> about Japan	1	2	3	4	5	6	7
15. Japan makes me <u>fearful</u>	1	2	3	4	5	6	7
16. I <u>don't trust</u> Japanese people	1	2	3	4	5	6	7
17. Japanese people <u>annoy</u> me	1	2	3	4	5	6	7
18. Japan makes me <u>angry</u>	1	2	3	4	5	6	7

### **Country Intentions**

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
19. I would like to <u>buy Japanese products</u>	1	2	3	4	5	6	7
20. I would like to <u>visit</u> Japan.	1	2	3	4	5	6	7
21. I would like to <u>work</u> in Japan.	1	2	3	4	5	6	7

### **Digital Cameras**

Now consider a digital from **Japan**. Please choose the number in the scale that best reflects your opinion of Japanese Digital Cameras

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
22. Digital Cameras from Japan are <u>well designed</u>	1	2	3	4	5	6	7
23. Digital Cameras from Japan are <u>high tech</u>	1	2	3	4	5	6	7
24. Digital Cameras from Japan <u>have many features</u>	1	2	3	4	5	6	7
25. Digital Cameras from Japan are <u>user friendly</u>	1	2	3	4	5	6	7
26. Digital Cameras from Japan are <u>high quality</u>	1	2	3	4	5	6	7
27. I would <u>seriously consider</u> buying a Japanese digital camera	1	2	3	4	5	6	7
28. I <u>definitely would buy</u> a Japanese Digital Camera	1	2	3	4	5	6	7

### **Country Knowledge**

Please indicate the degree to which you agree or disagree with the following statements:

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
29. I believe I know a lot about Japan	1	2	3	4	5	6	7
30. I am quite familiar with products from Japan	1	2	3	4	5	6	7
31. I own/have owned Japanese products.	1	2	3	4	5	6	7
32. I am quite familiar with Japanese Digital Cameras	1	2	3	4	5	6	7

**Demographic Information**

Finally, to compare your answers with others, please provide the following information

**34. Could you please tell me your country of birth?**

- Australia 1
- China 2
- Malaysia 3
- Indonesia 4
- Singapore 5
- Japan 6
- France 7
- Other 8 (Please write your country of birth in the space below)

.....  
.....

**34. Gender**

- 1) Male 1
- 2) Female 2

**35. Age**

- a. 18 – 25 years old 1
- b. 26 – 34yrs 2
- c. 35 – 44yrs 3
- d. Over 45 years 4

**36. Education – Please circle the highest level of education you have received to date**

- a. High school certificate                      b. TAFE/Vocational diploma
- c. Undergraduate degree
- d. Post graduate degree                      e. Other – Please Specify

.....

**Thank you for your time and effort**

## Questionnaire 4 – Japan/ Wine

### Country Beliefs – Socio Economic & Geo Cultural

Now we would like you to answer some general questions about a country and some of the products from this country. Please click on the box that most corresponds to your agreement/disagreement with each statement; whereby 1 = “strongly disagree” to 7 = “strongly agree”).

	Strongly disagree				Strongly agree			
1. Japan is a <u>developed economy</u>	1	2	3	4	5	6	7	
2. People from Japan are <u>well educated</u>	1	2	3	4	5	6	7	
3. Japanese people are <u>competent workers</u>	1	2	3	4	5	6	7	
4. Japan is a <u>technologically advanced country</u>	1	2	3	4	5	6	7	
5. Japan <u>is a democratic country</u>	1	2	3	4	5	6	7	
6. Japan has a <u>rich culture</u>	1	2	3	4	5	6	7	
7. Japan has a <u>beautiful landscape</u>	1	2	3	4	5	6	7	
8. Japan has an <u>attractive climate</u>	1	2	3	4	5	6	7	
9. Japan has a <u>rich history</u>	1	2	3	4	5	6	7	

### **Country – Feelings & Emotions**

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
10. Japan is a country I <u>admire</u>	1	2	3	4	5	6	7
11. Japan makes me feel <u>excited</u>	1	2	3	4	5	6	7
12. I <u>like</u> Japan	1	2	3	4	5	6	7
13. I feel <u>affinity</u> with Japan	1	2	3	4	5	6	7
14. I am <u>curious</u> about Japan	1	2	3	4	5	6	7
15. Japan makes me <u>fearful</u>	1	2	3	4	5	6	7
16. I <u>don't trust</u> Japanese people	1	2	3	4	5	6	7
17. Japanese people <u>annoy</u> me	1	2	3	4	5	6	7
18. Japan makes me <u>angry</u>	1	2	3	4	5	6	7

### **Country Intentions**

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
19. I would like to <u>buy Japanese products</u>	1	2	3	4	5	6	7
20. I would like to <u>visit</u> Japan.	1	2	3	4	5	6	7
21. I would like to <u>work</u> in Japan.	1	2	3	4	5	6	7

### **Country Product Beliefs - Wine**

Now consider wine from **Japan**. Please choose the number in the scale that best reflects your opinion of Japanese wine

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
22. Japanese wine is <u>prestigious</u>	1	2	3	4	5	6	7
23. Japanese wine would have an <u>excellent taste</u>	1	2	3	4	5	6	7
24. Japanese wine <u>packaging and labelling is attractive</u>	1	2	3	4	5	6	7
25. Japanese wine would have a <u>nice aroma</u>	1	2	3	4	5	6	7
26. I believe wine from Japan would be <u>good quality</u>	1	2	3	4	5	6	7
27. I would <u>seriously consider</u> buying a Japanese wine	1	2	3	4	5	6	7
28. I <u>definitely would buy</u> Japanese wine	1	2	3	4	5	6	7

### **Country Knowledge**

Please indicate the degree to which you agree or disagree with the following statements:

	<b>Strongly disagree</b>				<b>Strongly agree</b>		
29. I believe I know a lot about Japan	1	2	3	4	5	6	7
30. I am quite familiar with products from Japan	1	2	3	4	5	6	7
31. I own/have owned Japanese products.	1	2	3	4	5	6	7
32. I am quite familiar with Japanese wine	1	2	3	4	5	6	7

**Demographic Information**

Finally, to compare your answers with others, please provide the following information

**35. Could you please tell me your country of birth?**

- Australia 1
- China 2
- Malaysia 3
- Indonesia 4
- Singapore 5
- Japan 6
- France 7
- Other 8 (Please write your country of birth in the space below)

.....

**34. Gender**

- 1) Male 1
- 2) Female 2

**35. Age**

- a. 18 – 25 years old 1
- b. 26 – 34yrs 2
- c. 35 – 44yrs 3
- d. Over 45 years 4

**36. Education – Please circle the highest level of education you have received to date**

- a. High school certificate                      b. TAFE/Vocational diploma
- c. Undergraduate degree
- d. Post graduate degree                      e. Other – Please Specify

.....

**Thank you for your time and effort**