

COUNTRY OF ORIGIN EFFECTS AND CONSUMER PRODUCT EVALUATION PROCESS

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ABSTRACT: *The topic is focused on country of origin concept and its impact on consumer product evaluation process. In analyzing, attempt was made from cognitive perspective of country of origin and the processing of consumers prior knowledge about a country's products and not about the country itself. The analysis reveals that the occurrence of a country of origin-effect in terms of a halo effect, a summary-construct effect, a product attribute effect of a default heuristic effect on the consumer's evaluative tendency.*

KEYWORDS: Country of origin, consumer behaviour, cognition, product evaluation

INTRODUCTION

The country of origin of a product, normally communicated through the expression 'made in,', which is intangible product attribute as well as an extrinsic product cue that is different from a physical product characteristics. As such, a country-of-origin cue is similar to warranty, brand name or price in that none of these directly bear on product performance (Peterson and Jolibert, 1995). There is a tendency from Marketers who often prop up the information that a product is made in a country with a reputation for producing good quality commodities. Furthermore, investigational studies also support this strategy. Relating a product with a country which is well known for finer producing commodities often increase evaluations of this product (Pecotich and Rosenthal 2001). Universally many consumer associates Italy with shoes, furniture and clothing. German with machinery, tools and cars, Japan with consumer electronics, cameras and games. France with perfume, fashion and other beauty products. Moreover, consumers tend to have an established positive attitude or even a preference when it comes to a particular product being made in particular country (Schiffman and Kanuk, 2009).

The proliferation of hybrid which means bi-national and in some cases multinational products in international markets encouraged the partitioning of the global Country of origin (CoO) concept into three different entities: Country of assembly (CoA), country of design (CoD) and country of Parts (CoP) (Insch and McBride, 2004). For example, a television like Sony may have been designed in Japan, assembled in China and parts and components be manufactured in Taiwan. Thus, bi-national products relate to several countries with various economic levels and images. It gives managers more control over choosing the countries associated with the product which influence the consumer in product selecting process (Nijssen and Douglas, 2004).

Consumer's procession towards CoO-cue

It is unclear that if, how and to which extent the CoO effect impacts on consumer evaluations. The CoO-cue processing can be a cognitive, affective or conative/normative nature (Obermiller and Spangenberg, 1989). Cognitive CoO-effects are characterized by the fact that consumers make rational use of the CoO-cue. Put differently, they try to distract information about the product's quality attributes from CoO. Affective CoO-effects are different in such a way which is said to arouse a purely emotional reaction in the consumer. Conative/normative effects on the other hand manifest themselves in a situation where the consumer's behavioural intentions towards a product are guided by moral reflections generated by the CoO cue. This paper will focus the CoO-effects from cognitive perspective. Verlegh and Steenkamp (1999) think that the predominance of cognitive CoO-effects is related to the fact that a large majority of publications on CoO-effects focus on technically complex and financially expensive utilitarian products such as cars, personal computers, Hi-tec video cameras, etc. Holbrook and Hirschman (1982) indeed argue that the formation of attitudes towards these types of products is mainly cognitively driven. The basic assumption behind the cognitive approach is that a product can be considered as an array of information cues. Traditionally, a distinction is made between product intrinsic cues (taste, design, fabric, etc.) and extrinsic cues of product like brand name, price, store status, guarantee, or country of origin. Afterwards referred to by the term image variable defined as 'some aspect of the product that is distinct from its physical characteristics but that is nevertheless identified with the product' (Erickson et al., 1984). It appears image variables like the CoO-cue actually function as stimuli, which automatically activate internally stored schemas (Kochunny et al., 1993). Generally, the latter are referred to by the term 'product-country images', containing an individual's conations, cognitions and affect in the direction of the country, its people and its products (Pharr, 2005). Within so-called multi-characteristic surroundings, end users have been established to exploit their product-country knowledge as a surrogate indicator from which they infer beliefs about a product's superior functions. These would predominantly be the case when subjects find themselves in a situation where attribute information is missing or unfamiliar to them (Laroche et al., 2005).

The CoO-specific prior knowledge

As for a consumer's CoO-prior knowledge normally activated by the CoO-cue functioning as a kind of stimulus (Ahmed, 2008). The general idea of the prior knowledge of CoO will be that, the more this has been developed, the higher a CoO-cue's predictive and confidence value will be (Han, 1990). This increasing predictive and confidence value is assumed to result in a higher motivation and ability to process the CoO-cue and therefore, to a bigger chance of being centrally processed. The opposite occurs in case a consumer's CoO-knowledge network is developed only to a moderate or inadequate level. If a certain country's commodities are rather unknown to specific consumers, will not easily see any relevant associations between the product's CoO and its superior functions. Furthermore, they are assumed to be less confident in the CoO-cue as a potential source of information about the product's attributes. As a consequence, consumers will be less motivated and able to take into consideration the CoO-cue, resulting in a peripheral processing mechanism. This has been empirically supported by Maheswaran (1994).

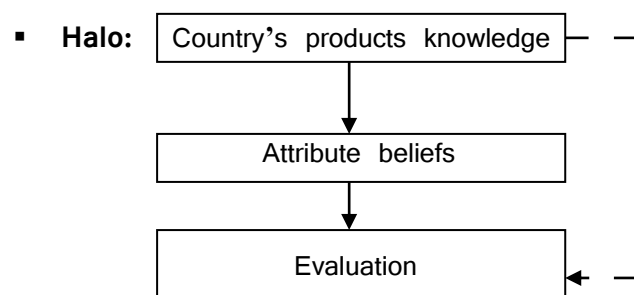
Predictive and confidence value

The concepts of predictive value and confidence value are important determinants of the ways in which CoO-cues will be used, because they affect the consumer's motivation and ability to process this cue. Important to notice is that the predictive value of prior knowledge about a country's products, as well as its value of confidence, can be exaggerated unconstructively by unidentified country names which do not stand for meaningful information. Another factor that might have a negative influence on the predictive value of the CoO-cue is its lack of clarity (Johansson, 1989). So called hybrid products make it difficult for consumers to attribute information related to a country's products to the specific product being dealt with. This is moreover the situation when the end users are aware of high heterogeneity in quality of products within a product category from a specific country. 'Country-brand heterogeneity' where it is complex to point out information related to a country's products clearly to a product when the perceived quality differences between countries are small within a product class (Obermiller and Spangenberg, 1989). Confidence value, besides being determined by the degree to which a consumer's CoO-knowledge is elevated; give the impression that to be connected to the nature of the experiences where network is based on CoO-knowledge. For example, it shows that consumers who base their prior knowledge on direct experiences will be more confident in their judgement than consumers who gathered prior knowledge on the basis of indirect experiences where the reliability of the sources consulted is more difficult to control (Sauer et al. 1991). Pecotichand and Rosenthal (2001) in their claim that information in the form of direct experience with the attitude object, results in beliefs that are held more confidentially compared to other forms of information.

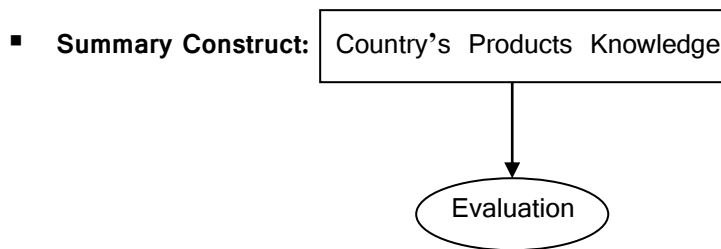
The stimulus and the aptitude to connect in cognitive processing

The consumer's motivation and ability to process information determine whether the resulting attitude is enduring or not. The enduring attitude formation or change, through the central route, will only occur if both motivation and ability to process the persuasive communication are present. Where motivation and/or ability are lacking, the attitude change, which takes place via the peripheral route, will be of a less enduring nature. Adopt the idea that a consumer's motivation and ability to engage in processing cues are determinants of the way in which consumers will employ the CoO-cue (Karunaratna and Quester 2007).

The processing of CoO cue should be understood as a cognitive mediation or **Halo mechanism**. The latter is defined as a process where the influence of CoO on the overall assessment of the product is indirect and rather weak because it is mediated by the formation of beliefs about specific attributes related to the product (Johansson, 1989).

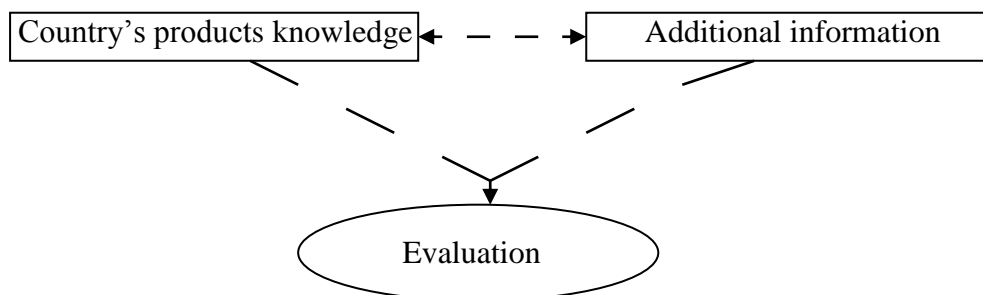


Besides this halo-effect, Han (1989) identified a second type of cognitive process that is fundamental of CoO-effects. The second procedure within this is the CoO-cue does not act as a surrogate indicator from which attribute information is inferred, but as a **summary construct** having a much more considerable and direct influence on the consumer's evaluative propensity. Han (1989) also defines this construct as a file of information about various brands from a country that consumers develop over time, store in their memory in the form of overall evaluations of products from the country and retrieve readily when evaluating the brands.



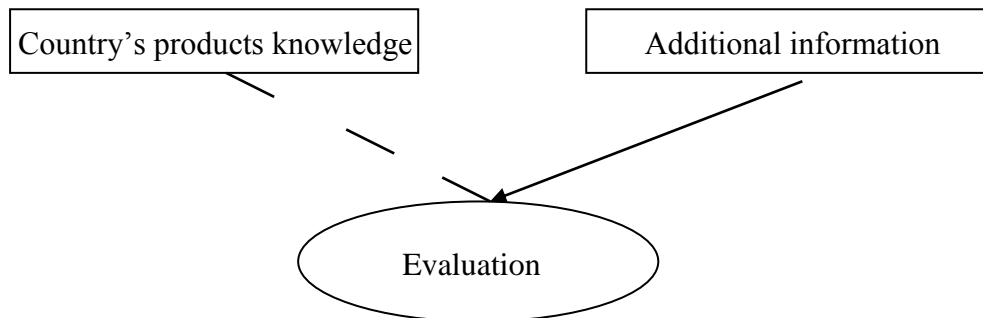
Manrai et al. (1998) propose to expand the conceptualization of halo and summary construct-effects by introducing the intermediary notion of a **default heuristic**. A default heuristic-effect occurs more specifically when consumers are in a situation where the informational value or relevance of both the CoO-cue and the additional information cues are at a moderate level.

- **Default Heuristic:**



In **Product attributes-effect**, two items should be noticed with regard to the product attribute-effect. Firstly, it is characteristic that the CoO-cue exerts a direct but marginal influence on the overall product evaluation. This can be explained by the fact that consumers making use of additional information about product intrinsic attributes value these over product extrinsic cues as determinants of product evaluation (Samiee 1994). This is a commonly accepted idea that has been empirically supported at various occasions already. Second, a clear distinction must be made between a product attribute-effect in one side and a default heuristic-effect on another side. The main difference is that in case of attribute-effect of a product, there is no relation between the CoO-cue and additional product information. (Pecotich and Rosenthal, 2001).

- **Product Attribute:**



In recap, in product evaluation phase at first a consumer has the task to generate an evaluative tendency towards a product from a particular country. After that the presence of prior knowledge about products from the country in question that can be used to generate this evaluative tendency and additional information. At the end, occurrence of a country of origin-effect in terms of a halo effect, a summary-construct effect, a product attribute effect of a default heuristic effect on the consumer's evaluative tendency

CONCLUSION

This study has developed the theories on cognitive country-of-origin effects and how it influences the consumer's product evaluation process. Indeed, the outcome of this study is a series of straightforward and clearly defined suggestions on how to treat the CoO-cue in combination with (or without) other product-related information. To summarize, the issues it can be concluded that when we speak in terms of cognitive CoO-effects, these are to be understood as the rational processing of descriptive, inferential and/or informational beliefs one associates with a particular country's products in order to arrive at an overall evaluation of the product being confronted with. According to Karunaratna (2007), different types of cognitive CoO-effects can be distinguished from each other in function of: 1) The situational context (i.e. CoO-cue processed together with additional information or not). 2) The structure of the underlying process (i.e. CoO-cue triggers direct or indirect effect on overall product evaluation). 3) The strength or impact on overall product evaluation (i.e. substantial, moderate, weak or marginal). For situations where the CoO-cue is processed together with additional information regarding the produced item and there is also a fourth method that should be taken into account, that is, time interval (i.e. CoO-cue presented before or after additional information about the product). The halo-effect corresponds to a process where additional product information is disregarded or missing and where the impact of the CoO-cue on the overall product evaluation is indirect and relatively weedy. Additional product information is not explicitly taken into consideration anymore in summary construct-effect, because it is already summarized by the CoO-cue. The CoO-cue is said to have a direct and substantial impact on the overall product evaluation. Thus, for these two cognitive CoO-effects, the factor of time interval has no significance. Contrary to the previous effects, the default heuristic-effect is characterized by the fact that the processing of the CoO-cue is done together with the processing of additional product information. Additionally, the CoO-cue is presented simultaneously with additional information regarding produced item. Consequently, the CoO cue not only wields a direct effect on the overall product assessment but in the similar time, there is a mutual interaction between the CoO-cue and additional information about the product.

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