

A CONCEPTUAL MODEL FOR COUNTRY-OF-ORIGIN EFFECTS

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Abstract

A product's country-of-origin can directly influence brand loyalty, brand association, brand awareness and perceived quality respectively and therefore have an indirect impact on brand equity. This study proposes a conceptual model for evaluating the country-of-origin effect. An extensive review of the literature on country-of-origin effects and the potential drivers of country-of-origin perceptions is conducted. The country-of-origin effect can be driven by various factors including country image/national stereotypes, consumer ethnocentrism & animosity, involvement, consumers' product familiarity and experience, and cultural difference. The limitation of this study is that it is based on a conceptual conclusion. Empirical evidence is needed to verify the proposed propositions. This conceptual model of country-of-origin can significantly add value in international marketing and brand management.

Keywords: Country-of-origin, Brand equity, Consumer - animosity, Consumers' knowledge, Cultural differences.

1. Introduction

Understanding how products' country-of-origin can influence consumers' purchase behaviour has been of great interest to marketers and academics since the 1960s (Schooler, 1965). This is because the country -of-origin effect can perform as an intangible barrier for foreign products when entering new overseas markets due to the consumers' bias toward imports. Consumers can also utilise products' country-of-origin as a type of information cues for their product evaluation (Schooler, 1965; Roth & Romeo, 1992; Samli, 1995; Chinen et al., 2000; Ahmed & D'astous, 2001). In fact, some studies have found the country-of-origin effect can play an important role in products' brand image, which indirectly impact on consumers' purchase (Hsieh et al., 2004; Esch et al.,

2006; Diamantopoulos et al., 2011). Therefore, researching on the country-of-origin effect can make a significant contribution to international companies' product marketing and branding.

Previous studies focused on some partial factors (for example, consumer ethnocentrism and animosity) which can drive the country-of-origin effect (Shin, 2001; Klein, 2002; Ang et al., 2004; Nijssen & Douglas, 2004; Shimp et al., 2004). Other studies have tested the country-of-origin's partial impacts (for example perceived quality) on consumer behaviour (Inschand McBride, 2004). The purpose of this study is to develop a more comprehensive model for studying the country-of-origin effect. This conceptual model will illustrate the various drivers of country-of-origin effects, and its various direct effects and indirect effects.

2. Literature Review

2.1 The concept of Country-of-origin

2.1.1 Definition of Country-of-origin

The concept of country-of-origin (COO) and its effect has been discussed in several studies, however, there is an active debate on how to define this concept. Some consider COO effect as an intangible barrier for foreign products when entering new overseas markets in terms of the consumers' bias toward imports; others define COO as a type of information cues that form consumers' attitude and perception (Schooler, 1965; Roth & Romeo, 1992; Samli, 1995; Chinen et al., 2000; Ahmed & D'astous, 2001). Essentially, those previous studies agreed that the product's COO is a crucial information cue, which can affect consumers' perceptions, product evaluation and willingness to purchase foreign products thereby influencing imported products' acceptance by consumers in a new market.

A number of researchers attempted to clarify and examine the effects of COO. Samli (1995) argued that COO is an essential information cue, which plays a major part in the acceptance of products in a new market. Roth and Romeo (1992) defined the COO effect as how buyers perceive imports from a specific country. The COO effect was referred by Papadopoulos (1993) as a process where the imported product's origin impacts on how consumers perceive a product and evaluate its attributes. Chinen et al. (2000) considered COO effects as consumers' beliefs in COO information in their evaluation of the quality of goods from different countries and subsequent decision-making of purchase. Other researchers underlined how country images in products' origins affect consumers' perceptions and evaluations. To be specific, the country image of the product effects can be summarised as the generalisations and perceptions about a country in consumer perception and accordingly impact on their evaluation of products from that country (Nebenzahl et al., 1997; Stone, 2002).

Researchers have defined COO effects using various perspectives. The concept of the COO effect successfully explains why some consumers believe some products from a specific country have the superiority to those from other countries. For example, wine from France are assumed to have better taste than wine made in South America, German automobiles have greater quality than cars made in China, and Italian clothes are more fashionable than those from East Asia. The positive country images in respective categories benefits the related products from these countries. In other words, when people hold a favourable attitude to a country image in a product category, they will show a preference for the product country of origin which is presented as superior.

2.1.2 The effect of Country-of-origin

The previous studies have demonstrated that COO may have the effect on consumers' purchase intention. However, some other researchers argue that this effect may be indirect rather than direct. These studies discover that COO, reflected both in country image (CI) and product category image (PCATI) perceptions, does not pose direct influence on consumers' purchase intention (PI) to the focal brands. Actually, the COO concept has an indirect impact. To be specific, when people find a new brand of Australian cheese for example, the positive CI of Australia (e.g. Australia is a developed country) and PACTI (e.g. Australia dairy products are good) will promote this brand's image to the consumers, accordingly enhance their purchase intention, due to the positive brand image (Hsieh et al., 2004; Esch et al., 2006; Diamantopoulos et al., 2011). Diamantopoulos et al. (2011) concluded this effect into a framework, which is shown in Figure 1.

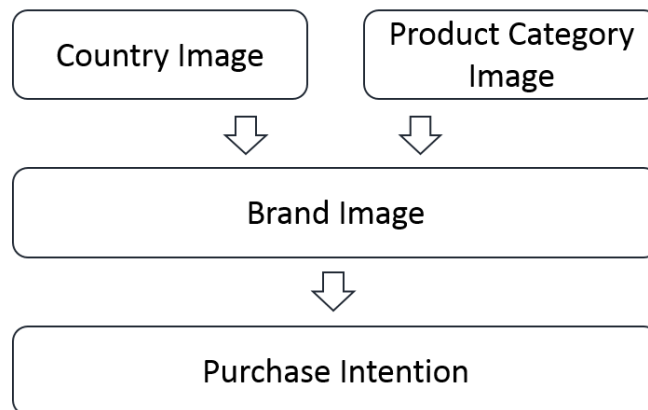


Figure 1: A model of the indirect impact of COO on purchase intention through brand image

Similarly, Paul and Dasgupta (2010) conducted a study to identify the effect of COO image (COOI) as an antecedent to brand equity, which is defined as a brand's incremental value (for example, profit margin or market share) due to its brand name.

The study showed that COO image has important connotations in consumers' purchase decision making. For example, COOI is an important factor when Indian consumers are making a purchase decision for mobile phones and automobile brands (Paul & Dasgupta, 2010). The result in their study showed three important findings: Firstly, COOI can significantly influence the overall brand equity of mobile phones and automobile products. Secondly, there are four factors namely "brand loyalty", "brand association", "brand awareness" and "perceived quality" respectively that significantly and directly influence the formation of overall brand equity of those products. Finally, it showed that the effects of those four factors are significant on overall brand equity, while the impact of COOI on overall brand equity is not. This implies that the COOI effect on overall brand equity should be indirect and mediated through those four factors. Accordingly, Paul and Dasgupta (2010) formed a conceptual model to illustrate the indirect impacts of COO image on brand equity, which is shown in Figure 2.

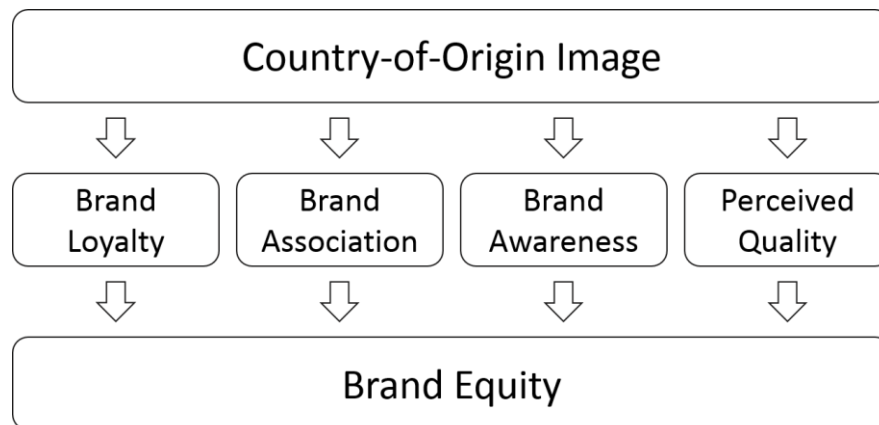


Figure 2: A conceptual model of indirect impacts of COO image on brand equity

2.2 The drivers of COO effects

2.2.1 Country image and national stereotypes

Previous research on COO effects also examined the impacts of the country's image and consumers' stereotypes. According to the Stereotype Content Model (SCM), consumers' stereotypes can be grouped into two dimensions: 'warmth' and 'competence' (Fiske et al., 2002). It argues that dimensions of stereotypes can be predicted by two variables 'status' and 'competition'. Actually the 'warmth' and 'competence' perform jointly, rather than work alone, to develop various types of stereotypes. Based on this model, Chattalas et al. (2008) developed a model which explains the relationship between "national stereotypes" and COO effect. It shows the COO effect process is initiated by national stereotypes. National stereotypes perform conjointly with other factors, which include "product type", "consumer expertise", "culture", "product involvement" and "consumer ethnocentrism", to cause the COO effect. The model is shown in Figure 3.

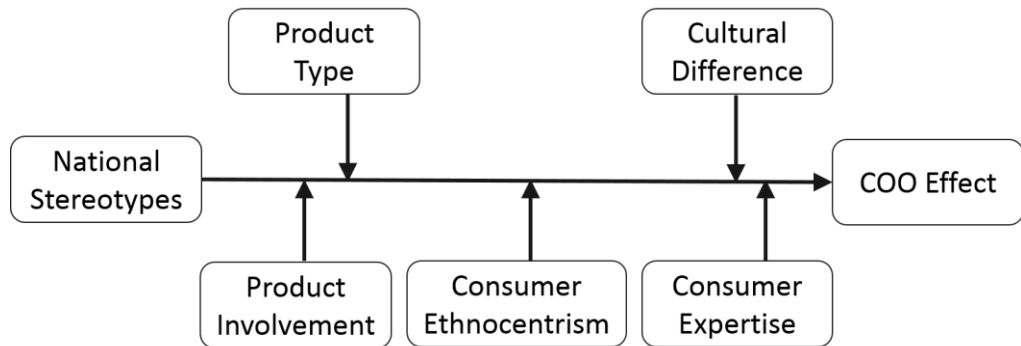


Figure 3: The conceptual framework of the relationship between ‘national stereotypes’ and COO effect

2.2.2 Consumer ethnocentrism (CE) and animosity(CA)

As one of the factors forming a COO effect in the conceptual framework (Chattalas et al., 2008), consumer ethnocentrism (CE) roots in “ethnocentrism” that is a more general psychological concept that can be found most domains of inter-group relationships (Lewis, 1976; Shimp & Sharma, 1987). Ethnocentrism was initially defined by Sumner (1906) as a tendency that people believed their own group to be superior to others and therefore, perform a rejection to other groups which are dissimilar while showing the accreditation to similar ones. Based on a general framework, Shimp and Sharma (1987) identified CE as the views held by people about the adequacy and morality of buying commodities from other countries. This concept has been further referred as to a phenomenon that some consumers are ethnocentric and tend to discriminate products from the ‘in-group’ (domestics) and from ‘out-groups’ (foreigners) and to avoid purchasing foreign products as they consider it as inappropriateness, anti-patriotism, and possibly even immorality due to the potential threat to their domestic economy. As a consequence, consumers with high ethnocentrism tend to have a negative evaluation of foreign commodities’ quality and prefer to buy domestics (Shimp & Sharma, 1987). Additionally, in their study, they also developed and validated the CETSCALE (Consumer Ethnocentric Tendencies Scale) as a measurement for the scale of CE.

Various studies have tested the relationship between CE and COO among various product categories and countries. For example, consumers in UK, USA, France, Germany, Japan and Italy were selected as the foreign COOs in the researches undertaken by Balabanis and Diamantopoulos (2004), Evanschitzky et al. (2008), Shimp and Sharma (1987), and Watson and Wright (2000). Considering product types, the examination of consumers’ preferences between domestic and foreign products was undertaken among a wide range of categories such as automobile, foods, TV sets, toiletries, fashion wears, toys, DIY

equipment, and furniture. The CETSCALE was widely applied in those studies because the reliability and validity of the CETSCALE were strongly supported by cross-national studies (Shimp & Sharma, 1987; Watson & Wright, 2000; Balabanis & Diamantopoulos, 2004; Evanschitzky et al., 2008). However, it was reduced from seventeen items to ten items. The conclusions of the linkage between CE and consumer preferences vary across those product categories. They imply the effects of CE are product and country specific, that the CE effect for one country and one product category cannot necessarily transfer to other countries and categories.

Another concept which is similar to CE, the general concept of animosity can also be applied in the consumer behaviour, which is defined as ‘consumer animosity’ (CA) (Klein et al., 1998). Initially, animosity is considered as a concept that is attitudinal and exists in individuals’ minds. Buss (1961) referred the concept of animosity to an attitude of the dislike and negative evaluation of others. Furthermore, Spielberger (1988) argued that animosity should be “a complex set of feelings and attitudes that motivate aggressive and often vindictive behaviour”. The concept of consumer animosity was initially introduced and defined by Klein et al. (1998) as the “remnants of antipathy related to previous or ongoing military, political, or economic events”. Recently, this construct paid more attention in the studies of consumer behaviour in both intra-national and international marketing settings (Klein et al., 1998; Shin, 2001; Jung et al., 2002; Nijssen & Douglas, 2004; Shimp et al., 2004; Leong et al., 2008; Tian & Pasadeos, 2008). Those studies conceptually differentiated the constructs of consumer animosity and COO effect. For example, the COO can influence people’s perception of the quality of some particular goods from a particular country. However, consumer animosity can impact on consumers’ attitude to all products from a particular country despite of perceived quality. Accordingly, consumers who hold any animosity would refuse to purchase any products related to an offending nation, even though the quality of products with that origin was not undervalued. This argument was supported in the study by Klein et al. (1998). Based on the background of the ‘Nanjing Massacre’ which refers to the historical fact that 300,000 citizens in China were slaughtered by Japanese army in 1937, the Chinese consumers showed anger towards Japan. The authors discovered that consumers’ purchase decisions were negatively influenced by the animosity without product quality evaluations. Other studies gave further support for CA effects on consumer behaviour in various countries or different groups in specific country (Shin, 2001; Klein, 2002; Ang et al., 2004; Nijssen & Douglas, 2004; Shimp et al., 2004). Nevertheless, there are some inconsistent findings among the literature. While the initial research by Klein et al. (1998) and some further studies by other authors presented that CA is not linked to product judgments, Ettenson and Klein (2005) argued that CA could affect product judgments in long term. Likewise, findings from Shoham et al.’s (2006) study showed that CA negatively influence consumer’s behaviour in terms of both willingness to purchase and judgments of product quality. Shoham et al. (2006) attribute their findings to the presence of the “cognitive consistency” (Festinger, 1957). This finding was also shown in

other studies of consumers with high levels of animosity (Tian & Pasadeos, 2008). It indicates that it would be possible that when the Chinese consumers witness some events (e.g. Australia's attempt to be involved in the dispute of the South China Sea), the aroused or enhanced animosity would cause their negative attitudes towards the products from related countries. In terms of types of animosity, researchers classify CA as general animosity, war animosity, perceived threat, antithetical political attitudes, and negative personal experiences (Klein et al., 1998; Hoffmann, 2011; Jiménez & Martín, 2012).

As for the relationship between CE and CA, Klein and Ettenson (1999) argued that there may be a positive correlation between these two concepts. For instance, both of them can be caused by economic or political issues and both provide penetration into people attitudes towards imported goods. The findings of the studies on CE and CA also provide evidence that both of them show negative predictions to purchase intentions. However, CE is a distinct concept from CA because of their different roles in influencing purchase behaviour (Klein et al., 1998). To be detailed, the consumers can hold animosity towards a special nation, whereas the ethnocentric individuals can hold a general negative attitude towards any products with a foreign COO (Klein, 2002). For example, an increasing number of Chinese avoiding goods from other countries and showing a preference for domestic goods as a result of the developing CE and the improvement in the quality of local products (Zhou & Hui, 2003). Nonetheless, CE cannot be an explanation for the anti-Japanese purchase in China, while there are no boycotts of products from other countries. Some other studies also found that CE and CA have distinct impacts when consumers are evaluating products with products with COOs. For instance, consistent findings showed that CE can be obviously linked to both product judgments and purchase intentions (Shimp & Sharma, 1987; Netemeyer et al., 1991). Consumers who insist that it is inappropriate or unethical to buy foreign products are also likely to keep negative perceptions of the quality of those productions. By contrast, the effects of CA on purchase cannot be definitely related to quality judgments of the goods from the boycotted country. For instance, those who show economic animosity towards Japan tend to have a positive perception of the quality of Japanese products, however, others whose animosity is based on the previous war conducted by Japan might undervalue Japanese products.

2.2.3 Product involvement

In Chattalas et al. (2008)'s framework, consumers' involvement and expertise are another important factors affecting COO effect. This viewpoint was also supported by Cilingir and Basfirinci (2014), who studied the COO effects in Turkey, a developing country. In Cilingir and Basfirinci (2014)'s study, they concluded that consumers' product involvement and knowledge, associated with CE, modulate the COO effect in product evaluation. This framework is illustrated in Figure 4.

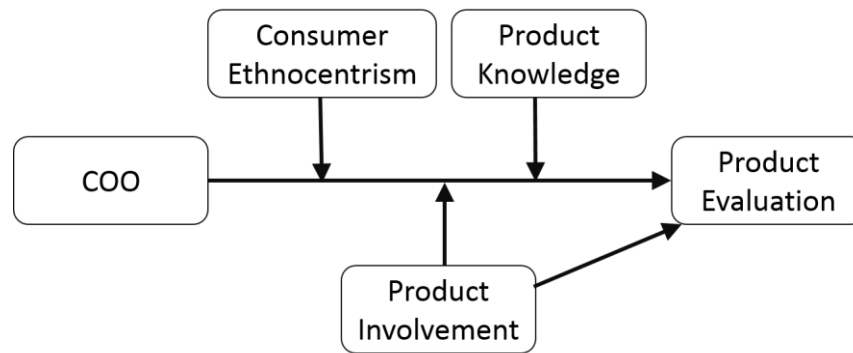


Figure 4: A framework of COO effect in product evaluation

Day (1970) defined product involvement (PI) as “the general level of interest in the object or the centrality of the object to the person’s ego structure”. Previous studies have been debating that PI might have two directions in its interaction with COO effect: positive or negative correlation.

The first perspective on the PI effect is based on the research on persuasion: persuasion could be formed by either a “central” or “peripheral” approach (Petty et al., 1983; Haugtvedt et al., 1992; Josiassen et al., 2008). When a consumer utilizes a central approach, he/she will make the necessary efforts of cognition on the evaluation of the available information (for example, searching for comments of a product on professional websites). On the other hand, when a consumer utilizes a peripheral approach, the evaluation is more likely to be based on those messages that are more salient and easily comprehensible such as information on the packages. Generally, it shows that consumers tend to utilize a central approach in high involvement conditions and choose a peripheral approach in low involvement conditions (Petty et al., 1983). A few researches on COO (Han, 1989; Maheswaran, 1994) argue that COO information will be more important to those who are purchasing lower-involvement products, because COO is a kind of salient and easily comprehensible information for a purchase decision (for example, the “MADE IN AUSTRALIA” label on the package of fish oil) (Han, 1989; Maheswaran, 1994). It implies COO may have a stronger effect on consumers who purchase fish oil as a low involvement product, while this effect will be weaker when fish oil is a high involvement product to other consumers. This is supported by Gurhan-Canli and Maheswaran (2000) and Verlegh et al. (2005). The researchers concluded that: “Country of Origin has a greater impact on product evaluations when consumers are less motivated to process available information, for example when involvement is low.” In other words, the PI has a negative correlation with COO effect.

Another perspective on the PI effect is based on the supposition that people who have higher involvement with a product would search, utilize and pay more attention to the cues of product class before their evaluation and purchase (Celsi & Olson, 1988). As to

high-involvement products, people will utilize cues (e.g. prices and designs) when identifying the class of different products and also may adopt other information including COO image (Ahmed & D'astous, 2004). This means consumers tend to value every possible source of information when they are high involved. As a result, the greater the involvement, the greater the likelihood of consumers will use the COO information in a product evaluation situation (D'astous & Ahmed, 1999). Actually, this is an opposite viewpoint to those previous studies that identified the negative correlation between PI and COO effect. Since there has no agreement reached on the role of PI in COO effect, further research on consumers in different countries and different product categories is necessary.

2.2.4 Consumer's product familiarity and experience.

In terms of the concept of consumer knowledge about products, many studies linked it to other more specific constructs, for example, experience, frequency, expertise, and familiarity (Marks & Olson, 1981; Park & Lessig, 1981; Alba & Hutchinson, 1987; Biswas & Sherrell, 1993). Brucks (1985), specifically divided product knowledge into three groups: "subjective knowledge" (e.g. consumers' perceptions of how much they know about the product), "objective knowledge" (e.g. quantity and types of what a consumer actually kept in the memory), and "experience knowledge" (e.g. how much a consumer previously purchased or utilised the product). Alba and Hutchinson (1987) detailed the concept by another two categories: "familiarity" (e.g. how many experiences a consumer has that relates to the product) and "expertise" (e.g. how much a consumer can understand the product and perform in its related tasks). Generally, the definition of consumer' expertise in those previous studies shows a common view that the amount of consumers' product knowledge can be seen by their familiarity with and experience with the products.

Researches on the interaction of product familiarity and COO effect generally base it on how consumers utilise COO cues in their purchase decision-making process. As it has been discussed earlier, COO image can be considered as a halo that consumers utilized to evaluate a product that they have not been familiar with. It implies that a consumer who has limited direct knowledge of a product, uses COO information as an indirect aid to evaluate a product's performance (Laroche et al., 2005). For example, a consumer may be unfamiliar with a particular hand bag made in Germany, but have a perception that German products generally have high quality. Therefore, based on the hand bag's Germany COO, and the consumer's belief that a general feature of German goods is their greater quality, the consumer is likely to make a positive evaluation of the unfamiliar German hand bag. This viewpoint is also supported by other studies (Huber & McCann, 1982; Johansson et al., 1985; Hong & Toner, 1989; Tse & Gorn, 1993; Li et al., 2003; Inch & McBride, 2004; Phau & Suntornnond, 2006). These studies propose that when consumers evaluate a product, COO image is essential only if they have a low product

familiarity. By contrast, COO image will play a less important role in consumers' product evaluation once they have knowledge of the product category.

Johansson (1989), however, argues that individuals may generalize their evaluation of a familiar product, and then transfer it into the COO image as a summary cue. In other words, the researcher believes that consumers will utilise COO image as an "agent" for a product' performance or quality if they have experienced the performance of other goods with the same COO. For instance, a consumer who had good experiences with one or more brands of wine made in Australia will draw a conclusion that Australian wines have very high quality. As a result, the consumer will assume that an untried Australia wine brand has the similar high quality of the other Australian wine brands. To sum up, the COO effects are influenced by consumer's familiarity of the product, which comes from their experience. However, there are still two questions: what is the consumers' experience and what kind of experience will impact on consumers' perception and familiarity of products?

To answer the first question, Li et al. (2003) suggest that an experience is more than simply the passive reception of external sensations or subjective mental interpretation of an event or situation; rather, experience is the product of an ongoing transaction that gains in quality, intensity, meaning, and value integrating both psychological and emotional conditions. Based on this, they defined consumer's experience as "the sensation of interaction with a product, service, or event, through all of our senses, over time, and on both physical and cognitive levels". This means product experiences are formed from a consumer's physical interaction (e.g. evaluate, purchase, use or other behaviour) with a product (Hoch, 2002). Some researchers have grouped these interactions into two distinct types of experience: direct experience and indirect experience. In other words, physical interaction with a product provides direct experience while external presentation or description provides indirect experience (such as advertising) (Hoch & Ha, 1986; Kempf & Smith, 1998). Obviously, product usage experience is one type of a direct experience due to the physical product interaction that involves tangible and intrinsic messages of product attributes. A product's COO, which can be normally shown on a "made in" label is an extrinsic message that conveys intangible and extrinsic cues of product attributes such as quality (Peterson & Jolibert, 1995). Therefore, a product's COO can be considered as a similar cue to brand names, packages, or prices because none of these directly bears actual product performances (Peterson & Jolibert, 1995). Yet, indirect product experiences, such as watching advertisements or seeing product displays, sometimes can play a significant role in consumers' purchase decision-making. For example, a consumer may pay attention to the car displays in the store or look at the car users' comments and recommendations online before he/she actually purchase a new van. However, some other researchers maintain that direct product experiences provides individuals with more reliable information than indirect experiences due to their more experiential and physical

interactions with products (Hamilton & Thompson, 2007). For instance, when a consumer has a trial of a product, such as coffee, he/she tends to have a higher level confidence on the product than from watching advertisements. This explains why product trials promote more purchase intention than advertising exposures (Hamilton & Thompson, 2007).

Another study by Thompson et al. (2005) showed that there is a systematic difference in consumers' preferences from their indirect experiences and direct experiences. To be detailed, before the product (such as coffee) usage, a consumer might prefer those with various characters (such as a specific COO) and functions (such as rich in nourishments), but after the product usage, the preference may be those that have a good taste. Therefore, consumers may initially rely on their indirect experiences to choose products, however, their choice can be more determined by the afterwards direct usage experiences. Direct product usage experience could, therefore, change product preferences from one end to the other. Wu and Shaffer (1987) conducted a study to provide evidence that direct experience forms sturdier, more comprehensible brand attitudes, and produces stronger links between present and future purchase behaviour.

While much attention is paid to consumers' direct product experiences, there are increasing number of studies focused on the impact of consumer's indirect product experiences from tourism, particularly in the wine industry. These studies attempted to demonstrate the positive impact of wine tourism experience on consumers' products' COO preference and purchase intention. For instance, Kolyesnikova and Dodd (2008) found that consumers' purchase will be promoted by their positive experience in the winery. Furthermore, the outcome from a study conducted by Bowe (2013) showed that people who have experience in Australia consider Australia as a more preferential COO for wines and seafood than the other countries compared to those who have not visited. It also needs to underline that the COO attribute shows more importance to the visitors than the non-visitors. The outcome of the study does not only support the argument that consumer with higher product familiarity tend to evaluate it more positively (Bird et al., 1970), but also shows a new finding that consumers' familiarity with a country may contribute to their positive evaluation of products from that country. The existing gap is that these studies generally examine those consumers who actually participate in the visitation to the country. However, the halo effect of COO image may also affect those who have not actually visit the related country. For instance, Lockshin and Lee (2011)'s experiment in Australia shows that the tourism destination image can provide an indirect influence to consumer's COO preference via product COO beliefs, especially the Chinese consumers who are unfamiliar with Australia. It assumes that the positive tourism destination image could come from the word-of-mouth of the consumers' friends and/or family members who have visited the related country. Therefore, future studies should not only analyse the impact of consumers' direct product experience (usage) and indirect experience (country visitation), but also check the influence from the consumers' friends

and/or family members' visitation to the related country.

2.2.5 Consumers' cultural difference

Previous studies have found that COO effects can be different across various countries. A few researchers have attributed this to the consumers' cultural difference (Narayana, 1981; Chattalas et al., 2008). Generally, consumers with higher collectivism (lower individualism) tend to consistently prefer domestic to foreign products (Gurhan-Canli & Maheswaran, 2000; Chattalas et al., 2008). As to a more individualistic consumer, he/she tends to be more independent. Individuals hold independent relationships with others and give priority to their personal goals rather than those of their in-groups. By contrast, a more collectivistic consumer's self-construal is likely to be interdependent. The independence with others is valued and it is believed that the in-group goals are a priority before personal goals (Shavitt et al., 2006). It suggests that a collectivistic consumer would try to choose domestic products in order to support the domestic workers' jobs in the related industry, accordingly pay more attention to the products' COO.

2.3 Summary of literature review

The previous studies identified the effect of COO impacting on brand equity. This effect is indirect and mediated by brand loyalty, brand association, brand awareness and perceived quality. The forming of COO effect is driven by various factors: country image/national stereotypes, consumer ethnocentrism and animosity, involvement, consumers' knowledge (product familiarity and experiences) and cultural difference (collectivism/individualism). Although, each driving factor and impact of the COO effects has been examined in various products and countries, there is still an absence of a comprehensive model for this concept. Based on the conceptual framework shown in Figures 1 to 4, a new framework is created for testing COO effects, which is shown in Figure 5.

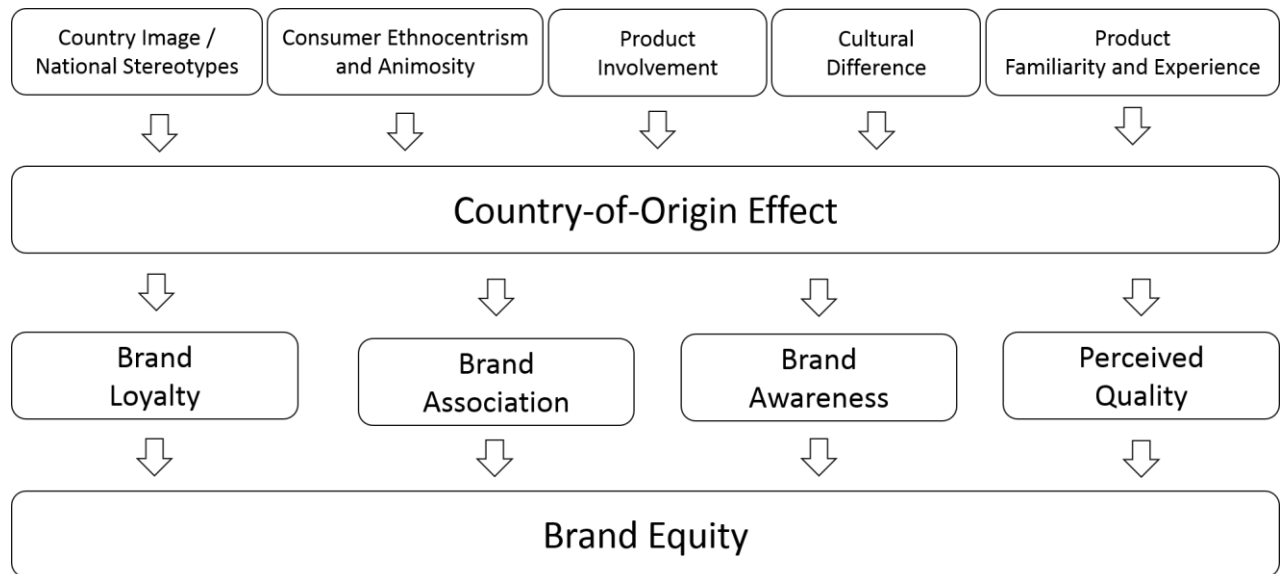


Figure 5: A conceptual framework of the COO effects

Accordingly, some propositions are formed for future study:

P1: The consumers are affected by COO cues in their purchase

P1a: The COO image has an impact on consumers' brand loyalty, which in turn influences their purchase intention

P1b: The COO image has an impact on consumers' brand association, which in turn influences their purchase intention

P1c: The COO image has an impact on consumers' brand awareness, which in turn influences their purchase intention

P1d: The COO image has an impact on consumers' perceived quality, which in turn influences their purchase intention

P2: The effect of COO on consumers is driven by their country image and national stereotypes

P2a: When consumers have a positive image of a specific country, they will prefer the products from the country

P2b: The stronger national stereotypes consumers have, the more they will utilise COO in their product evaluations

P3: The effect of COO on consumers is driven by their ethnocentrism and animosity

P3a: When consumers have a strong ethnocentrism, they will prefer domestic products

P3b: The more ethnocentrism consumers have, the more they will utilise COO in their product evaluations

P3c: When consumers have a strong animosity towards a country, they will negatively evaluate the products from that country

P3d: The more animosity consumers have, the more they will utilise COO in their product evaluations

P4: The effect of COO on consumers is driven by their involvement

P4a: When consumers have a strong involvement, they will prefer foreign products

P4b: The more involvement consumers have, the more they will utilise COO in their product evaluations

P5: The effect of COO on consumers is driven by their product familiarity and experience

P5a: The more familiar consumers are with the product, the more they will prefer foreign products

P5b: The more familiar consumers are with the product, the more they will utilise COO in their product evaluation

P5c: The effect of COO on consumers is driven by their indirect experience

P5d: The effect of COO on consumers is more driven by their direct experience rather than indirect experience

P6: The effect of COO on consumers is driven by their cultural difference

P6a: The more individualistic consumers are, the more they will prefer foreign products

P6b: The more individualistic consumers are, the more they will utilise COO in their product evaluation

Conclusion

According to the literature, country-of-origin is an important factor for consumers' perceptions and in their purchase decision-making process. This may influence consumer's brand loyalty, brand association, brand awareness and perceived quality and therefore impact on the product's brand equity. Historically, the studies on country-of-origin effect tend to focus on its partial driving factors (e.g. consumers' ethnocentrism) and its one particular impact (e.g. perceived quality). This paper is based on a literature review of previous related studies and initially develops a conceptual model for studying the country-of-origin effect. This more systematic model explains the various drivers of country-of-origin effects, and its various direct effects and indirect effects. Empirical research is needed to verify this proposed model in the future.

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