

HOW DO MARKET CHARACTERISTICS INFLUENCE BRAND COUNTRY OF ORIGIN EFFECTS?

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ABSTRACT

Given that brands are important for consumers' recognition of country of origin (COO), recent investigations have focused on the influence of country of brand (COB) on consumers' purchase decisions (Martin Martin and Cerviño 2011). Based on information diagnosticity theory, we propose that the effect of COB on product evaluations depends on the market characteristics of a given product category.

In the present study, market characteristics refer to the number and heterogeneity of COBs in a given market. The former refers to the perceived number of countries associated with brands, while the latter refers to the variance of perceived product quality among the identified COBs. We posit that in a market for a product category with a large number of COBs, consumers will find COB to be less diagnostic, and COB will play a lesser role in product evaluations. The reason is that the distinctiveness of the information provided by a COB will be diluted because many countries will be perceived as being able to deliver a certain product. In addition, we argue that when consumers perceive a high level of heterogeneity of COBs, COB will be more diagnostic in product evaluations because heterogeneity of COB indicates the perceived quality asymmetry among COBs in the market. We discuss the potential implications of this research for theory and practice.

References available upon request