COUNTRY-OF-ORIGIN BIAS:
A LITERATURE REVIEW AND PRESCRIPTION FOR THE GLOBAL WORLD

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ABSTRACT

The paper updates and extends Bilkey and Nes' (1982) country-of-origin research, organizing and clarifying existing research streams, concluding with a set of research propositions appropriate for the global world. The paper argues that significant strategic opportunities, as well as potential pitfalls, exist in relation to country-of-origin bias, and that these must be successfully managed.

INTRODUCTION

Whether positive or negative, focused or diffuse, held widely or only by a few, developed deliberately or by default, and formed from education, the media, travel, immigration, product purchases, business experiences or any combination of sources, every place has an image. More importantly from the marketing perspective, unlike brand and corporate images, those of nations and other places are not directly under the marketer's control.
Nicolas Papadopoulos and Louise Heslop, *Brand Management*, April, 2002, p. 295

The post-WWII world has experienced an undeniable trend toward globalization, greater connectedness, more international trade, stronger communication technologies, and increased travel. Mirroring these trends is the increased complexity of product offerings available to the consumer. Consumers, and other buyers, are faced with a barrage of foreign, domestic, and hybrid products using various mixtures of foreign and domestic inputs. Governments are expected to develop long-term strategies to allow their country's products to compete successfully in the world marketplace.

Early on, marketing scholars recognized that this phenomenon had significant implications for the practice of marketing (Grether, 1950, Boddewyn, J., 1966, Bartels, 1968, Wells, 1968). Namely, that as foreign products and competitors become more common, and eventually routine, a unique set of marketing challenges and opportunities will appear. The "foreignness" of products, companies, workers, etc, became a marketing issue that demanded attention as it directly affected product perceptions, consumer attitudes, and, ultimately, purchase behavior.

This country-of-origin (COO) phenomenon has matured since Schooler's (1965) original observations. Bilkey and Nes (1982) created an important synthesizing work detailing and compiling the knowledge to date, as well as identifying weaknesses and directions for future research. While the initial, pre-Bilkey/Nes (1982) work is important in order to understand the academic roots of COO research, this paper will focus on post-Bilkey/Nes (1982) literature.

COO is defined as the bias toward a product, positive or negative, that results from a consumer's preconceived ideas about the quality of products originating in a particular country. In the period from 1955-2001, over 766 works had been published on the subject, including 361 journal articles and 7 textbooks (Papadopoulos and Heslop, 2002).

In the approximately 20 years since Bilkey and Nes' (1982) work, the study of COO has progressed significantly, maturing from the original, naively simplistic examinations to a more complex, multi-faceted approach. Yet, there is still a significant amount of research needed. By focusing on the last 20 years of research, the author expects to offer a synthesis of recent research in an attempt to evaluate progress since Bilkey and Nes (1982), identify gaps in the knowledge, and to suggest future research possibilities through a series of research propositions.

ACADEMIC ROOTS OF COO

Schooler (1965) generated interest in COO as an academic area by examining biases within the Central American Common Market of nations. This seminal work asked the research question, "Do consumers impute characteristics, favorable or unfavorable, to the products of other member countries and thereby make selections in the marketplace" based on those biases (p. 394)? In this elementary search for "barriers of product bias and predilection on the basis of national origin (p.394)," Schooler (1965) found that in fact attitudes toward the country (based upon business, people, government, and labor dimensions) did lead to a preconception of the product from that country. The phenomenon manifested between countries, and not between the two products (juice and fabric) considered.

Subsequent areas of interest over the next 6 years included pedestrian examinations of the potential role of price (Schooler and Wildt, 1965) and regional labeling (Schooler and Sunoo, 1969) in compensating for a COO bias. Typical of this period, Schleiffer and Dunn (1968) found suggestive support (p<. 07) for the hypothesis that advertising would be more effective if a known reference group had manufactured the product.

Schooler (1971) revisited the debate with an insightful discussion of the nature of the research stream by examining some of the issues raised since his original study. For one, Schooler(1971) objected to the overuse of student samples in previous studies, noting that a broader samples would be more appropriate. In addition to this concern, Schooler (1971) also examined the phenomenon for moderating influences from socio-economic groups, and also expressed concern over the mixed use of tangible and non-tangible products for study. Schooler (1971) found support for the COO bias in general, as expected, and the moderating effect of socio-economic variables such as age, sex, education, and race, and a notable effect of stimulus type (tangible/intangible) on product perceptions were also noted. He found no support for the argument that regional labeling, as opposed to country labeling, would help to ameliorate the COO bias. Interestingly, this last finding is contradicted in later studies.

Smith (1993) found that in fact regional labeling did help to ameliorate some negative COO effects. Smith's (1993) findings are symptomatic of the COO research stream and provide an illustration of the apparent contradictions throughout the literature. When dealing with a multi-faceted phenomenon, it is commonplace to have contradictory results stemming from small, contrived samples that are potentially capturing only a small slice of the phenomenon. Smith (1993) was focusing on LDCs in particular, and, in that situation, the negative impact of country labeling may very likely be mitigated by diffusing the focus on any one particular country. Once again, the complex nature of COO probably eludes simple characterizations such as, "regional labeling is preferred to country labeling." More likely, the influence of labeling will manifest itself differently depending upon the relative strength of the country to the region, the stage of development, the homogeneity of the region, etc.

Two additional, significant pre-Bilkey and Nes (1982) findings are noteworthy. First, Gaedeke (1973) examined the impact of brand on the COO debate and demonstrated that brand name was not sufficient to overcome COO bias, noting that "individually, there may be relatively large variations in consumer attitudes toward well-known branded products when the consumer is made aware of the informational input 'Made In …' (p. 24)." Secondly, the appearance of longitudinal studies effectively demonstrated the transitory nature of the COO effect under study. Nagashima (1977) chronicled the changing attitudes of Japanese businessmen toward foreign products over an eight-year-period. Although unsophisticated, the study chronicled the temporal changes of country/product perceptions over time. Nagashima (1977) also provided a standard COO questionnaire that was commonly used by later researchers. Darling (1981) noted similar changes with perceptions of Finnish consumers, also noting that they not only had different perceptions of the products, but also different attitudes toward marketing activities related to these products over time. These longitudinal studies were important because they documented the transitory nature of COO bias. On one hand, this was somewhat frustrating to researchers trying to establish a model. Yet, at the same time, the studies encouraged the discussion of strategic options to improve a country's image.

The COO effect was also demonstrated to exist among industrial buyers (Cattlin, Jolibert, and Lohnes (1982). A sample of French and American directors of purchasing evaluated products from five different countries based upon five attributes using Nagashima's (1977) questionnaire. The authors observed different perceptions toward COO found within each sample, French and English directors, as well as different perceptions of product attributes based on COO cues.

BILKEY AND NES (1982)

Bilkey and Nes (1982) provided a critical synthesis of the early research stream and, also, introduced important directions for future research. Their analysis served as a foundation for the modern COO research of the next 20 years. Bilkey and Nes (1982) approached the documented COO effect as an information cue question noting, "products may be conceived as consisting of an array of information cues, both intrinsic (taste, design, and fit) and extrinsic (price, brand, and warranties) (p.89)." They elevated COO to the status of a relevant and influential, extrinsic product cue worthy of further academic investigation.

Bilkey and Nes (1982) noted that the majority of the previous studies had confirmed the existence of the COO effect, whether the study dealt with products in general, types of products categories, and/or specific brands. Within the umbrella of COO bias, the authors noted specific areas of bias interest. Namely, a hierarchy of bias effect dependent on source country, a moderating effect of certain demographic variables (age, sex, education, and race), a negative bias toward products from developing countries, and possible strategic concessions that could be used to mitigate the bias (For example: price concessions) were acknowledged from the extant literature.

Perhaps most importantly, Bilkey and Nes (1982) expressed concerns over the existing methodological techniques and provided a guide for future research. Methodologically speaking, the authors specifically expressed concern over the lack of generalizability and comparability in the research to date, pointing to single cue research, the possible presence of demand effects, the interchangeable use of intangible and tangible product subjects, and the intermingled use of region/country of origin cues as the culprits. Of primary importance, according to the researchers, is the need to hinge future research on a theoretical backdrop and to use more sophisticated, yet uniform, methodology in order to improve the generalizability and comparability of COO research.

Bilkey and Nes (1982) offered the following research questions for the future: How much does COO affect the purchase decision compared to other cues? Can other external cues compensate? Is the risk aversion literature relevant to this study? What is the source and strength of COO bias? Is the bias deep-seated or superficial? What are the most effective ways to combat and compensate for COO bias? The authors argued that answers to these questions, along with more precise methodologies, would allow the COO research to expand and mature beyond simply documenting the vague existence of a phenomenon.

MODERN COO RESEARCH

Stemming from Bilkey and Nes (1982), authors started to examine the salience of COO effect in relation to another extrinsic product cue, brand, in an attempt to capture the interaction and relative strengths between the two (Han and Terpstra, 1988, and Cordell, 1991). This is important because it begins an attempt to characterize the nature of the COO effect in relation to other, more documented extrinsic cues, and lays the groundwork for research into possible compensating mechanisms for a negative COO effect. For example, can weak COO images be ameliorated by the use of strong branding, pricing, or product warranties?

Unfortunately, research in the extrinsic cue area produced equivocal results. One study found that while both source country and brand were important, source country had greater effect in consumer evaluations of products than did brand name on bi-national products (Han and Terpstra, 1988); however, another study found country information to be subordinate to brand name, especially strong brand names (Cordell, 1991). Cordell (1991) noted that brand name contains more chunked and precise information, is given a more visually dominant role than country on packaging and promotion, and is afforded higher credibility by consumers due to the maker's implied warranty.

These seemingly conflicting findings point to a decided lack of sophistication in these studies, sophistication needed to pinpoint the exact nature of the interplay between two extrinsic variables: brand and COO bias. The obvious middle ground, an area warranting additional research, is a study to assess how these variables interact in relation to the strength of the COO bias and the strength of the brand, and how these relative strengths affect perceptions, attitudes, and behaviors.

An additional research stream dealt with attempts to characterize the nature of the COO effect. In response to the call for multi-attribute studies from Bilkey and Nes (1982), Johansson, Douglas, and Nonaka (1985) designed a study whereby experience with product class or brand was incorporated into the research design. The authors found evidence that COO impacts specific product attributes but failed to find any evidence that COO is used as a surrogate variable. "This multi-attribute approach suggests the impact of COO may be considerably more complex than is typically assumed (p.395)." Most importantly, the authors identified evidence of a significant halo effect whereby the overall country ratings affected individual product attribute ratings.

Han (1989) continued the halo discussion by looking for evidence of a halo effect as opposed to COO as a summary construct. Han (1989) defined halo effect as when "country image affects beliefs about tangible product attributes, which in turn affect overall evaluation (p.228)." He contrasted this to COO as a summary construct where "consumers are not familiar with a country's products, consumers will infer product information into country image, which influences brand attitude (p.228)." Characteristic of COO research, Han (1989) finds that evidence of the use of a halo or summary construct logic is dependent upon product category and country involved, again pointing to the complexity of the concept.

Roth and Romeo (1992) introduced the concept that countries should seek to match country strengths to product categories. They continued by positing that a favorable product/country match would occur when the perceived strengths of the country are important product benefits or features sought by consumers (See Figure One for a conceptualization of the Roth and Romeo (1992) model).

In this intuitively pleasing conceptualization, Roth and Romeo (1992) evaluated products along four product attributes: design, innovativeness, prestige, and workmanship. They noted that strong product /county matches seem to predict willingness to buy. The interesting observation from this study is the commentary on the strategic implications for countries that find themselves in the less than ideal matching of product/country pairing. The authors note that the countries/companies that find themselves in the off-diagonal positions, where either product OR country is out of sequence (unfavorable match and favorable mismatch, Figure One), have a strategic opportunity to correct the mismatch and to move toward the favorable match.

Shimp, Saimee, and Madden (1993) moved beyond the characterization of COO as a halo effect or summary construct. They suggest the term country equity in order to provide:

added precision and serve to disentangle the equity contained in a brand (the conventional notion of brand equity) from that contained in the country with which the brand is associated. In other words, new brands can leverage off the equity furnished by preexisting brands marketed by the same company or off the equity endowed by the same country with which the new brand is identified (p.328).

The authors argue, in Figure Two, that brands in the upper left corner, highly leverageable brands, "are new market entries from companies with current winners in their product portfolios that are identified with countries whose commercial output is positively evaluated by consumers in the importing countries (p.328)." Similar to Roth and Romeo's (1992) logic, Shimp, Saimee, and Madden (1993) point out that future research interest should focus on the off diagonal elements where the goal would be to bring brand and country equities in line with each other. These findings of COO effect on product attributes were echoed in other studies which found that COO may influence the attention paid to other attribute information thus affecting the impact (Hong and Wyer, 1989).

Following the recent focus on matches between product and country image, Kim and Chung, (1997) examined the purchase of Japanese and American subcompact automobiles. Not surprisingly, the authors found that Japanese auto manufacturers enjoyed country-specific intangible assets such as price, advertising, fuel economy, and popularity. Conversely, American auto manufacturers were perceived as performance oriented. The authors echo previous studies arguing for the congruence of product and country images by positing that marketing efforts should mirror country image. This conclusion builds on similar concepts presented by Roth and Romeo (1992) and Shimp, Samiee, and Madden (1993).

Papadopoulos and Heslop (2002) continued to refine the concept of country equity as "value that may be embedded in perceptions by various target markets about the country, and the ways in which these perceptions may be used to advance its interests and those of its constituents." The authors continue by noting that, like brand, a country's image is multi-faceted and may carry large amounts of factual and affective information. Finally, they argue that a country's image warrants attention by the country itself.

Continuing the Bilkey and Nes (1982) logic that LDCs were more prone to COO bias than developed countries, Smith (1993) noted that unfortunately these are the very countries which are likely to try and stimulate their export performance through incentive programs, only to be met by significant negative bias by consumers from developed countries. LDCs suffer from negative product images, or positive images for only specialized raw materials (Jamaican coffee, Saudi oil, and Brazilian opals) unfortunately while developed countries tend to benefit from positive images (German engineering, American software, etc). An important line of future research should provide strategic tools that enable countries to move toward a positive COO instead of continuing to suffer product denigration under the burden of a negative COO image.

Samiee (1994) introduced new COO constructs and provides an important COO model that had been lacking to date (Figure Three). The author noted the lack of theory and structure in previous work and calls for more uniform and precise constructs and methodology. First, Samiee (1994) acknowledged the complex modern world of hybrid products by creating appropriate constructs that decompose the COO construct. Namely, he identified three constructs: country of origin (COO), country of manufacture (COM), and country stereotyping effect (CSE). Conceivably, country of design (COD) could have been added as well to capture the intricate nature of products in the global world. Samiee (1993) approached the first two constructs, COO and COM, as factual and not subject to consumers' "attitude, sentiments, or biases (p. 583)." Then, the author used CSE to "denote any influence or bias resulting from COO and/or COM (p. 583)." He continued, "the origin of CSE for consumers may be varied, some based on experience with a product(s) from the country in question, others from personal experience (e.g., study and travel), knowledge regarding the country, political beliefs, ethnocentric tendencies, fear of the unknown, etc (p. 583)." As noted by the author, traditional COO research has dealt with the CSE component.

The Samiee (1993) conceptual model of COO influence is very useful because it includes many of the previous studies into a conceptual, organizing framework. Evident from Figure Three, the model starts with COO/COM awareness and saliency, then is impacted by various individual, product market, and environmental factors, and results in a CSE, which, along with other influences, impacts the purchase decision, and ultimately, brand profitability. As a framework, the model is useful for organizing previous research into a logical flow and, also, providing a framework for future research. One final benefit from the Samiee (1993) research is the question of saliency. Included in the study, without any direct treatment, are the following questions that raise important considerations for future research. Namely, is COO information useful? Is it always available? Sought after? Processed?

Continuing one of Samiee's (1993) lines of logic, Maheswaran (1994) sought to segment consumers in an attempt to evaluate the impact of COO information on different types of consumers. This was an important step because it started to address the question of the strength and salience of COO cues. Maheswaran (1994) started with the hypothesis that all consumers do not use COO information in the same manner. The author segmented his consumer samples into two groups: 1) novices who were unfamiliar with the product category and 2) experts who were familiar with the product category in question. Not surprisingly, experts were more inclined to rely on specific product attribute information when it was available in an unambiguous format, whereas the novice was much more likely to rely on COO information during product evaluations. Experts were found to only use the COO information when the attribute information was ambiguous and they were seeking additional information about the product. As stated, this study is an important first step toward addressing the question of salience and use of COO cues in the purchase decision process. Previously, little energy had been devoted to clarifying exactly how this effect manifested in individual consumers.

Two interesting intervening variables that directly affect COO bias have recently appeared in the literature. Consumer ethnocentrism and even consumer animosity have been identified as contributing forces that factor into the bias associated with COO. Sharma, Shimp, and Shin (1995) define ethnocentrism as "the beliefs held by consumers about the appropriateness, indeed morality, of purchasing foreign-made products (p. 27)." The authors identified a collective mentality and the presence of patriotic/conservative attitudes as antecedents to ethnocentrism. On the other hand, cultural openness, education, and income tended to discourage ethnocentrism. Sharma, et al, (1995) found a positive correlation between the perceived threat to the individual or national economy and the level of ethnocentrism; a negative correlation was demonstrated between the necessity of the product and the degree of ethnocentrism. This study dealt with the important concept of ethnocentrism, which is a more generic COO bias than previously examined. Obviously, the shunning of all things foreign is an important component that needs to be included in any comprehensive discussion of bias toward foreign products. Ethnocentrism is particularly relevant as the governments of many developed nations have launched buy domestic campaigns in response to balance of payments pressures.

An interesting offshoot of ethnocentrism is the more specific animosity concept. Animosity refers to more than simply preferring domestic products, but to actively refusing products of a certain origin (Klein, Ettenson, and Morris, 1998). Animosity is more country-specific than ethnocentrism, and as the authors pointed out, can guide consumer behavior even in the presence of superior product attributes. Such COO animosity can be born out of culture, history, religion, language, level of development, etc.

A recent study of interest approached the measuring of COO effect from a different perspective by using self-reporting from consumers and salespeople concerning the degree of reliance on COO information (d'Astous and Ahmed, 1999). Consumers and salespeople reported the extent of use of COO information during the purchase of electronic equipment. Consumers confirmed that COO information was important to them during the decision process. Interestingly, salespeople did not feel it was relevant or useful during the sales presentation, suggesting that there may be opportunities for sales training to identify COO-sensitive consumers. This type of study is useful in an attempt to identify the relative importance placed on the COO cue. Additional work is needed to better understand how it interacts with other factors in the purchase decision.

RESEARCH PROPOSALS

Clearly, some initial examinations of relevance, relative strength of biases, and fit in decision process models have been completed; however, the COO research stream lacks a lot of the specificity called for by Bilkey and New (1982). Samiee's (1993) model provides a helpful starting point as an amalgam of recent research directions and as an attempt to incorporate the consumer decision model.

The following research proposals are presented as an update to the Samiee (1993) model in an attempt to guide future research in the direction of a more theoretical approach to COO research.

Too often, the COO effect is discussed as a static phenomenon, a bias that to some degree influences the purchase decision. Segmentation researchers need to address the fact that COO bias varies among individuals, and even within individuals over time. Several mainstay demographic variables would be extremely useful in segmenting customers along the line of sensitivity to COO information. Socio-economic factors should be used to segment consumers into groups varying by degree of sensitivity to COO cues. These factors should be included under market/customer level considerations in Saimee's (1993) model. In general, as an individual ages, he or she becomes more conservative and less receptive to change. As we age, do we become less enthralled with new and different and exotic, and more interested in relying on tried and true and known products? Also, individuals whose livelihood is perceived to be threatened by foreign products are more likely to experience a blanket ethnocentric antipathy toward all non-domestic products.

RP 1A: As age increases, COO cues will have more negative impact on perception.
As one perceives his or her livelihood to be threatened by foreign pressures, the more likely the COO cue will have a more negative impact on perception.

On the other hand, certain socio-economic variables tend to have a liberalizing effect on one's outlook on the world and attitudes toward products of foreign origin. It is theorized that these influences could help to offset any negative COO effects.

RP 1B: As income, education, travel, study of a foreign language, and job security increase, negative COO effects will diminish.

Consumer animosity is a special case and needs to be included as a variation of ethnocentrism among the customer level considerations in Saimee's (1993) model. Animosity is a much more focused and specific variation of ethnocentrism directed at a specific country or region (Klein, Ettenson, and Morris, 1998). No longer are we saying that all things foreign are detrimental to the individual and the economy, but instead that certain foreign products of certain origins are specifically undesirable. The presence of consumer animosity makes COO information disproportionately more relevant to the decision, and leads to a disproportionately negative impact.

RP 2: The more prevalent the level of animosity, the more the consumer will use COO cues as a primary evaluation tool, disregarding product attributes completely, relying solely on COO cues to evaluate the product.

Price is an important marketing tool that delivers significant product information to the consumer (Rajneesh and Monroe, 2003). The relation of price to quality in the consumer's mind affects the overall perception of value and desirability of a particular product. If COO bias results in an influence on consumer's attitudes toward a product, then pricing strategy can be used to counterbalance this effect. Pricing policy needs to be included in Product/Market factors as a mitigating variable**.**

RP 3: Up to a certain point, a lower price will offset negative COO perceptions, as will a positive COO cue command a premium price. There is a point beyond which price cannot override COO effect.

A threshold exists whereby the consumer gathers enough information about a product to make a purchase decision. The threshold varies depending on the level of involvement and the customer. COO is a component of this information mixture and should be strategically controlled by the company as much as possible (Clarke, Owens, and Ford, 2000). FDI decisions directly impact COO and foreign entry strategists must account for this effect.

RP4: A customer will reach a certain threshold of information about a product that will be sufficient to induce the purchase decision. Strategically managing components of the information mixture, including COO, will influence product performance.

Country image is inextricably linked to the export performance of products, especially those originating from LDCs. Underdeveloped economies seem to be particularly prone to having their products directly associated with the country image. When the country image is underdeveloped or misunderstood, this can have a significant impact on product performance. Since country image is so closely linked to product performance, approaching negative COO biases from a macro point of view and dealing with country image specifically holds promise for LDCs (Papadopoulos and Heslop, 2002).

RP5: LDCs will experience export growth as a result of using blanket, image-enhancing advertising to promote the country due to the halo effect.

In addition to country image management discussed above, use of superior distribution networks as well as concentration on peripheral product attributes holds promise for LDCs interested in improving their COO image. Especially when dealing with products that represent a significant level of performance risk to the user, other-than-core-product attributes can help to allay concerns.

RP6: Using respected distribution outlets will help LDCs reduce the evaluation derogation as performance risk rises. Also, more liberal use of warranties and branding would assist in export growth.

Products from LDCs are often prone to significant negative COO biases. Governments often have tools at their disposal that can be useful in reducing these biases and improving export performance. Government policies can be used as a development tool to aid fledgling industries burdened with the task of overcoming an entrenched COO bias.

RP7: Government policies to counteract/encourage some of the negative/positive reinforcements of country image will increase export performance. These include: quality control of products currently being exported, generic/image advertising, business incentives for businesses that produce products that match the country's image, and some form of government or private industry coordination of the country's export agenda and overall marketing plan.

CONCLUSION AND MANAGERIAL IMPLICATIONS

In addition to the research proposals, several future research opportunities exist. The subject of COO continues to have gaps in the literature. Researchers have still been unable to answer Bilkey and Nes' (1982) questions concerning the strength and source of COO bias and, most importantly, how it interacts with other extrinsic product cues. Researchers have been unsuccessful in elaborating effective strategic methods to combat the effects of COO bias. The research stream has not been included in FDI research even though it presents a significant consequence of any sourcing decision. And, little is understood about how the process works in the consumer's mind. How is the information processed? Which consumer segments are sensitive to COO information? How is it used? And, most importantly, is COO research even relevant in a progressively global world. At least in the near term, the answer to this last question is yes. Globalization is an ideal at this stage that some industries are moving toward; however, for the foreseeable future, the issue of COO bias will remain a factor in consumer evaluation of products.

Several different avenues of inquiry may also prove fruitful in addition to the questions raised above. It would be interesting to examine companies that have managed to achieve a global brand/company name that seems to transcend national boundaries in the minds of most consumers. For example, companies such as Bic and Nestle are not typically identified as being foreign companies. Have these companies consciously and strategically planned this outcome? Is this a preview of the global world where COO information is not relevant to the decision?

Secondly, additional research on the interaction between country of design, country of manufacture, and country stereotype effect is needed. Too little is known about the relevance, the interaction, and the saliency of this information.

Finally, although the Japanese management literature is expansive, one additional area of interest may be to examine how a crippled dynasty rebounded in 30 years to become the icon for high quality, low/reasonably priced products. How did Japan manage the transition in the consumer's mind from producer of inexpensive, low quality goods to high quality? Possibly, some generalizations for developing countries could be gleaned.

Figure One: Country Image Dimensions

PRODUCT DIMENSION	COUNTRY IMAGE Positive	COUNTRY IMAGE Negative
Important	Favorable Match	Unfavorable Match
Not Important	Favorable Mismatch	Unfavorable Mismatch

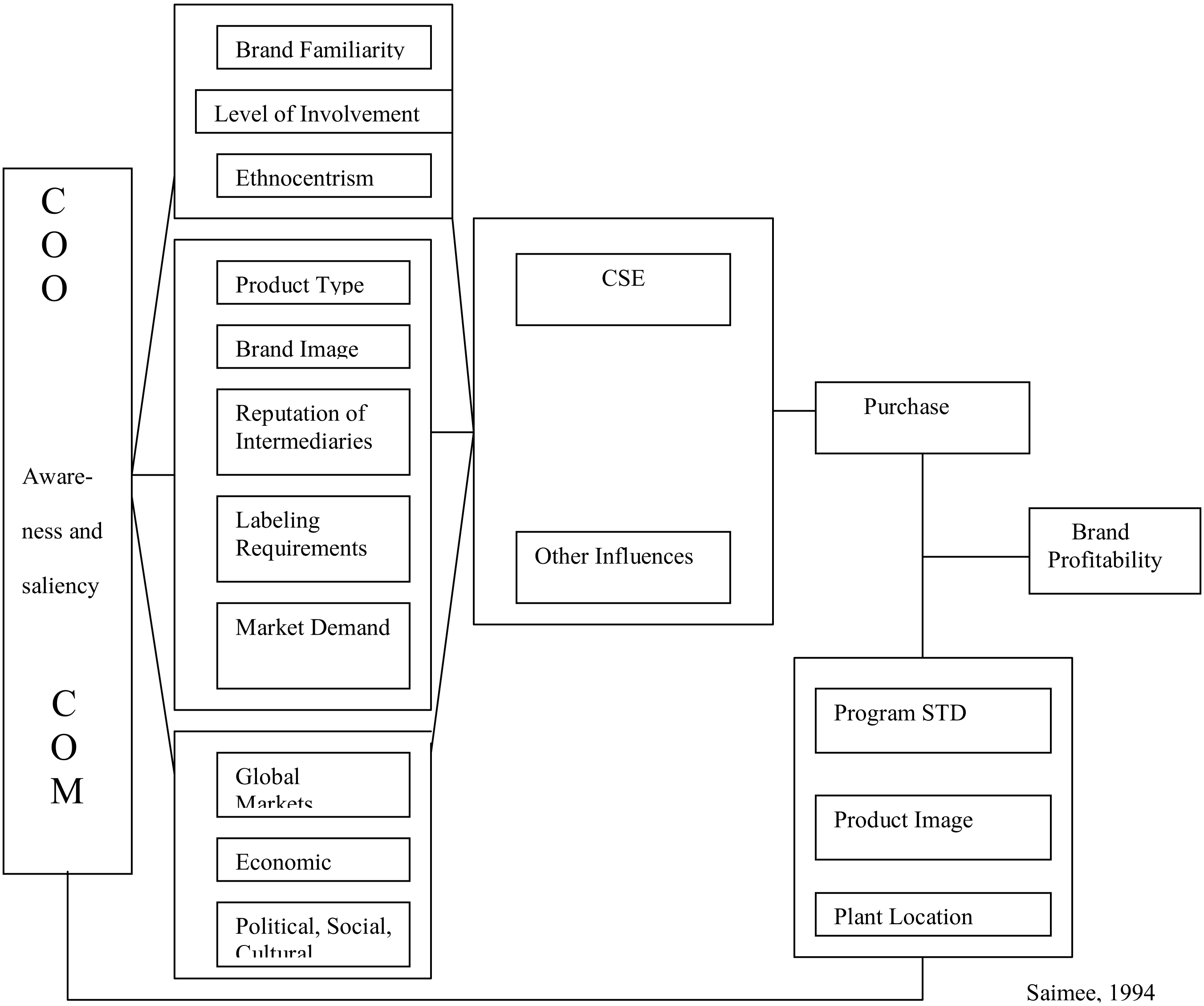
Roth and Romeo, 1992

Figure Two: Country/Brand Equity

	COUNTRY EQUITY Positive	COUNTRY EQUITY Negative	
+	HIGHLY LEVERAGEABLE	COUNTRY DEFICIT BRAND	BRAND EQUITY
-	COMPANY DEFICIT BRAND	NON-LEVERAGEABLE	

Shimp, Saimee, and Madden, 1993

Figure Three: Conceptual Framework for Assessing County-of-Origin Influence



Saimee, 1994

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