

AN EXTENDED CONCEPTUALIZATION OF COUNTRY-OF-ORIGIN EFFECTS

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ABSTRACT

Country-of-origin effect refers to how consumers perceive products emanating from a particular country. In some cases, Country-of-origin information has been found to be more important in affecting product quality assessments than price and brand information. In fact, marketers recognize this fact and often use verbal allusion to a product's country-of-origin as a selling point in their advertising. Researchers have suggested different explanations of how country-of-origin information can affect product evaluation. For instance, the country cue can either summarize information about product quality, or act as a halo and influence beliefs regarding different aspects about the product. In whichever of these two ways the country cue might affect product evaluations, the question arises as to what cognitive processes give rise to use of the country cue in product evaluation. This paper tries to answer this question by building upon past literature to

propose that people may have stereotypes about certain countries. These stereotypes arise out of the socialization process we go through as we grow up. However, these stereotypes represent the society's general view about a country, including its people and its products. Over a period of time, individuals may develop their own personal beliefs about aspects of countries that may differ from the general stereotypes. Formation of personal beliefs is largely a result of active direct experience with some aspect of the country. Stereotypes and personal beliefs can exist from a very specific level (brand) to a very general level (country). This paper argues that the dynamics between these two distinct cognitive structures (stereotypes and personal beliefs) influences the nature of country image held by a person, and that in turn influences product and brand evaluation. Based upon this argument, several hypotheses are proposed.