CONSUMER BEHAVIOUR INDUCED BY PRODUCT NATIONALITY: 
THE EVOLUTION OF THE FIELD AND ITS THEORETICAL ANTECEDENTS

Tanja Dmitrovic
Department of Marketing Faculty of Economics
University of Ljubljana
Kardeljeva ploščad 17, 1000 Ljubljana
Slovenia
Tel.: +386 1 5892-506
Fax: + 386 1 5892-698
E-mail: tanja.dmitrovic@ef.uni-lj.si

Irena Vida
Department of Marketing
Faculty of Economics
University of Ljubljana
Kardeljeva ploščad 17, 1000 Ljubljana
Slovenia
Tel.: +386 1 561-8291
Fax: + 386 1 5892-698
E-mail: irena.vida@ef.uni-lj.si

1Tanja Dmitrovic, Ph.D. (in Economics), is Assoc. Professor of Marketing at Faculty of Economics, University of Ljubljana (Slovenia), where she delivers courses on marketing and industrial organization. Her current research includes projects in domain of marketing, tourism and industrial organization. She is consulting in the areas of new product development, marketing strategies and industry analysis. Her articles have been published in various international journals, such as Journal of European Marketing, International Business Review, Tourism Management, and others.

2Irena Vida, Ph.D. (University of Tennessee (UT) – Knoxville, USA, 1997) is Full Professor of Marketing at University of Ljubljana (Slovenia). She focuses her research efforts on application of organizational and consumer behaviour theories and models in cross-cultural settings and strategic issues in international marketing. She published articles in various journals such as Journal of European Marketing, Journal of International Marketing, International Marketing Review, International Review of Retail and Consumer Research and others, and presented her research at various international conferences. She is a visiting professor to various universities in Europe and in recent years has successfully managed various EU and national sponsored research projects and grants.
ABSTRACT. In this study we survey, classify and synthesize streams of research that examine the role of national origin of products, brands, services and institutions in consumption. We identify two major subsets of literature related to product nationality: a) country-of-origin studies and b) research that focuses on consumer ideologies. We find that the two subsets adopt different theoretical perspectives and are based on different underlying mechanisms of consumer preference formation. By identifying the similarities in and differences between the two streams of literature, we attempt to establish a firm basis for future empirical evaluations of consumer behaviour induced by product nationality. To this end, we construct an integrative framework that allows the effects of product nationality on consumption to be treated holistically.

KEYWORDS: country of origin, consumer behaviour, consumer ideology.

JEL classification: M31, Z13, M39.

Introduction

Product origin is one of the extrinsic cues that consumers use in forming consumption preferences and making purchase choices. Investigations into the influence of “made in” cues in preference formation date back to the 1960s, when marketing scholars first considered the role of national stereotypes in product evaluations, and by the end of the twentieth century, over 750 country-of-origin (CO) studies had been published (Papadopoulos and Heslop, 2002). Since then, scientific interest in the topic has continued. Recent reviews cite more than 1,000 studies published in journal articles, while the numerous articles appearing in the business press attest to importance of this area of study for business practice (Roth and Diamantopoulos, 2009). New issues related to product nationality (e.g., health and product safety issues, environmental concerns, concerns that globalization represents a threat to the welfare of national economies) continue to emerge.

Usunier (2006) recently voiced a concern that academic research in the field is losing its “real-world relevance” (p.60) and that current CO research is legitimized mostly by academic narrative established through past studies, despite the fact that the relevance of CO cues is decreasing as a result of globalization of manufacturing and marketing operations and growing consumer acceptance of products, irrespective of their origin. Other researchers have also questioned the salience of CO information by raising doubts about whether consumers are aware of the national origin of brands and, if they are, whether they attach any importance to where the brand was conceived, designed or manufactured (Liefeld, 2004; Samiee et al., 2005).

To close the “relevance gap,” Usunier (2006) suggested that research “stick to the phenomenon when it changes over time, which is a key input for both knowledge creation and for reflective practitioners who seek grounded improvement of their practices” (p.69). In a similar vein, Phau and Chao (2008) noted in the introduction to the special issue of International Marketing Review devoted to CO issues: “As new world events unfold and new issues continue to evolve on the world stage, it is to be expected that new CO research paradigms will emerge and research gaps will need to be filled…. There are significant opportunities for further research. However, future CO research efforts need to move beyond CO effects testing with greater emphasis on theory development and theory testing” (p.1252).
Transformations in the global business environment have influenced academic CO literature throughout its development. The CO field of research evolved from the single cue studies focusing on whether consumers prefer products originating from a specific country to multilayered country image studies that analyze why products from particular country are preferred. In time and with the growing number of studies related to the effects of product nationality, the complexities of the processing mechanisms that underlie consumer choices have become apparent. Researchers now recognize that CO research cannot explain formation of CO-related consumer attitudes and the resulting behaviour without considering country norms.

The normative aspects of product origin cues were introduced to consumer research in the 1980s with the conceptualization of consumer ethnocentrism (Shimp and Sharma, 1987). In the years that followed, researchers focused also on the role of other consumer ideologies—patriotism, nationalism, animosity, consumer racism, and so on—in determining consumer behaviour. It is our view that the field of consumer ideologies represents a significant portion of the broader conceptual and empirical work in the field of inquiry on product nationality. However, CO perceptions and country norms are based on different processing mechanisms, so these constructs should be considered separately. While both streams of the literature have offered important strategic implications for marketing practice in increasingly globalized and culturally diverse markets, there are also important distinctions between these two streams of research because they approach the country interaction issue from entirely different angles. Whereas studies on product nationality as a quality cue have generally focused on the image of the country (where the product was made) in the consumer evaluation process, the emphasis of consumer ideologies has been on the mindset and value systems of the consumer, their geographical location, their cultural and ethnic environment, and the impact thereof on the decision making process and outcomes (Vida, 1996). Future investigations into consumer behaviour would benefit from establishing a common theoretical ground on which the two streams of research could be brought together.

Addressing the two major gaps identified in the literature, that is, relevance in the presence of globalization and the absence of sound theoretical foundations, our research objectives in this paper are threefold: 1) to review and synthesize the prolific literature on the impact of CO cues on consumer behaviour in order to identify the similarities in and differences between the various streams of literature; 2) to link the literature streams that have studied CO effects over the past five decades to theoretical foundations rooted in various disciplines in order to establish a basis for future empirical evaluations on product nationality induced consumer behaviour; and 3) to construct an integrative framework to aid researchers in studying the effects of product nationality on consumption in a holistic manner.

1. Chronological Overview of the Literature

Literature on the possible effects of product nationality on consumer decision-making, product evaluation and purchase behaviour dates back to the 1960s, when Dichter’s (1962) article in the Harvard Business Review posited that the world anthropology would become an indispensable tool for international marketers. This suggestion was first followed up by the scientific study by Schooler (1965), also considered the founder of this line of research, and by Nagashima (1970; 1977), who first compared and contrasted product nationality stereotypes by Japanese and American businessmen. Nagashima found that country samples differed in their evaluation of the “made in” image of products and that these perceptions were dynamic, rather than static.
While other studies followed, it was not until much later that researchers began to address the question of the processes by which consumers integrate information about product nationality into their decision-making. There has been extensive empirical research on the effects of CO in the past five decades, reflected in the number of published articles and comprehensive literature reviews on the subject (e.g., Al-Sulaiti and Baker, 1998; Bilkey and Nes, 1982; Dinnie, 2004; Papadopoulos and Heslop, 2002; Peterson and Jolibert, 1995; Pharr, 2005; Usunier, 2006; Verlegh and Steenkamp, 1999; Roth and Diamantopoulos, 2009).

In one of the comprehensive appraisals of this line of research, Dinnie (2004) adopted a chronological perspective to assess the advancements in understanding the effects of product origins and identified three main periods of inquiry. The first period, 1965-1982, was illuminating in terms of uncovering new phenomena, but it was also characterized by simplistic methodological approaches wherein the national origin of products was typically examined in the absence of other information cues (i.e., single-cue studies). The period ended with the first critical review of existing studies by Bilkey and Nes (1982). The next period, which led up to 1992, yielded an increased volume of empirical research as well as a greater sophistication and diversity of methodological approaches. The use of multi-attribute approaches became more common in that researchers compared the effects of product nationality to other relevant product attributes, such as price and quality. The third period, from 1993 to Dinnie’s time of publication (2004) brought about novel methodological perspectives, including systematic meta-analyses of the extant work (e.g., Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999).

As the literature related to product nationality evolved over the years, researchers deemed it necessary to account for the multi-layered character of images of products and brands conceived, designed, produced and assembled around the world. For the hybrid products offered by multinational corporations that pursue a global strategy and internationalized production, CO is no longer easy to identify (Phau and Chao, 2008). In view of these changing conditions, researchers began to study the effects of product nationality as a multidimensional construct by decomposing product nationality into elements such as Country of Assembly (COA), Country of Design (COD), Country of Manufacture (COM), Country of Brand (COB), and so on (Cho, 1993; Han and Terpstra, 1988; Insch and McBride, 2004; Jo et al., 2003).

Because of the globalization of production, distribution and marketing of products and brands, the field of CO was repositioned and re-conceptualized as “product-country image” (PCI) studies (Liefeld, 2004; Papadopoulos and Heslop, 1993) and more recently as “country image” studies (Roth and Diamantopoulos, 2009). The broader term PCI accounts for a multiplicity of countries associated with the product and the images that consumers have of particular countries that affect their perceptions of the product. Country stereotypes emerge as a result of an individual’s general perceptions of products from a particular country, as well as from their feelings toward the people of that country and their desired level of interaction with them (Papadopoulos and Heslop, 1993). In an attempt to define “country image,” Askegaard and Ger (1998, p.53) proposed that it be considered “a schema, or a network of interrelated elements that define a country, a knowledge structure that synthesizes what we know of a country, together with its evaluative significance or schema-triggered affect”. Unlike conventional CO studies, which allow researchers to analyze whether consumers prefer products from one country over the products of another, country image studies help explain the reasons behind these preferences (Roth and Diamantopolous, 2009).

Another subset of the literature that investigates the effects of product origin on consumer attitudes and purchase intentions emerged in the 1980s when Shimp and Sharma
(1987) applied the universal sociological concept of ethnocentrism to marketing and to consumer behaviour specifically. Unlike previous studies on product nationality that had attempted to explain how consumers structure their knowledge and evaluate products from various foreign countries as a result of the “made in” cue, Shimp and Sharma’s concept of consumer ethnocentrism focused on why some consumers prefer products of domestic origin over foreign-made alternatives. Shimp and Sharma conceptualized consumer ethnocentrism as an individual’s tendency to view domestically manufactured products as superior, and the belief purchasing imported products can have adverse effects on domestic employment and the nation’s economy. A person’s level of consumer ethnocentrism is largely innate as it lies in his or her value system and mindset. Therefore, consumer ethnocentrism and its antecedents (e.g., Sharma et al., 1995) can be categorized as the consumer ideology subset of the research on product nationality. Consumer ideology follows the basic definition of the term “ideology,” which is “the body of ideas reflecting social needs and aspirations of an individual, a group, a class or culture” (Merriam-Webster Dictionary, 2007), but applies it to consumption activities. Major expansions of consumer ideologies into consumer animosity, nationalism, and consumer racism have been introduced in the last decade (e.g., Klein, 2002; Klein et al., 1998; Quellet, 2007).

As a result, since the mid-1980s, two independent yet interrelated literature streams on biases related to product nationality have emerged that focus on either (a) the effects of product nationality information as a quality cue (focusing on the evaluative aspects of origin information) or (b) the effects of consumer ideologies that are induced by the product nationality cue. Each of these two streams of research applies different theoretical foundations and produces results with different consequences for marketing practice. On the other hand, both streams of the literature share a common element in that they involve the product nationality cue as the central determinant of consumer choice behaviour. The most recent decade of research on the two streams brought about an increasing volume of cross-cultural empirical work and studies conducted in transitional (mature) and emerging (developing) markets, mostly as a result of international marketers pursuing opportunities for growth outside the stagnated mature markets (Klein et al., 2006; Steenkamp and Burgess, 2002).

2. Theoretical Foundations for Studying Product Nationality

Theories from marketing, sociology, social-psychology, psychology, economics and other interdisciplinary fields of inquiry have been applied to existing conceptual and empirical work. Critics of the product nationality field of inquiry have stated that the many methodological approaches in the research represent a shortcoming because they reduce the ability to make theoretical generalizations. Therefore, we structure theoretical developments in the field by comparing and contrasting the two interrelated sets of literature streams that have evolved over the last five decades of research. The first perspective investigates product nationality as a quality cue and therefore focuses on the explanations how consumers structure their knowledge and evaluation of products from various countries as a result of their cognizance of product nationality (e.g., Agrawal and Kamakura, 1999; Dinnie, 2004; Insch and McBride, 2004; Jo et al., 2003; Pecotich and Rosenthal, 2001). The second perspective builds on the premise that the awareness of product nationality induces some consumer ideology, that is, consumer value system, which generates a preference for domestic/local products or for products from (a specific) other country or region – or even harbours an aversion to or discrimination against products of a specific origin (Ettenson, Klein, 2005;
1.1 Cognitive Processing of the Product Nationality Cue

Consumers evaluate products on their attributes and infer product quality from a variety of informational cues or stimuli, including intrinsic cues (e.g., product performance) and extrinsic cues (e.g., brand name, product origin) (Han and Terpstra, 1988; Peter and Olson, 2008). In investigating the effects of product nationality on consumer attitudes and purchase intentions, researchers have used several theoretical explanations for how consumers acquire, process and use such cues. In the context of the cognitive processes behind the effects of product nationality on consumer intentions theoretical conceptualizations have been related to a) information integration and accessibility-diagnosticity theories; b) categorization theory; and c) product nationality as a halo effect or the summary construct. These theoretical streams and their tenets, together with some alternative theoretical considerations, are analyzed in the sections that follow.

1.1.1 Information Integration and Accessibility-Diagnosticity Theories

Information integration theory posits that consumers arrive at an overall evaluation of the product by assigning to each product attribute: 1) a quality rating and 2) its influence or importance (i.e., judgment-weight of a specific attribute). The consumers then combine the ratings (scores) for each of the relevant (for the consumer) product attributes based on either the averaging rule or the adding model, with the former more common (Anderson, 1981; Bettman, 1979; Peter and Olson, 2008). However, the number and type of specific product attributes and the information cues that consumers use in evaluative processes will depend on their accessibility and diagnostic value (Jo et al., 2003; Samiee et al., 2005).

The accessibility-diagnosticity model attempts to explain “why a different rating even in the same attribute causes different influence (different judgment-weight) in consumer evaluations” (Jo et al., 2003, p.638). While accessibility involves the ease of retrieving an information cue from memory, diagnosticity is the ability of an input (i.e., an information cue) to solve a particular judgment task, such selecting a specific model or brand within a product category. The more diagnostic an attribute, the more helpful it is for consumers in evaluating the quality and performance of a product/brand (Aboulnasr, 2006).

According to Feldman and Lynch (1988), accessible information (e.g., country stereotype) is not used in the evaluative processes if there is more diagnostic information available. Conversely, if information or an attribute is low on diagnosticity (e.g., ambiguous and non-diagnostic), then shoppers are more likely to resort to their prior beliefs (i.e., those stored in memory) to forming their judgments. Thus, when information related to product nationality is perceived as non-diagnostic for making decisions, it is unlikely such information will be accessible (stored) in the memory (Samiee et al., 2005).

Jo et al. (2003) posited that evaluative cues that are highly familiar (accessible) and highly distinctive will carry a greater weight than those that are less familiar and distinctive. They argued that, for example, a strong brand like Sony TV, whose brand name is highly familiar and distinct in terms of quality reputation, is less affected by product nationality information than is a weaker brand like Fisher TV, which is less well known and has a less distinct quality reputation. Thus, based on the information integration and accessibility-diagnosticity theory, consumers who are evaluating Fisher TV may not rely so much on the...
brand reputation (since it carries small judgment weight) in their evaluations but will seek out other quality-signaling cues such as CO.

1.1.2 Categorization Theory

Categorization theory offers another clarification regarding the workings of the product nationality cue in the decision-making processes. Consumers categorize objects into cognitive structures or categories in an attempt to organize pieces of information and simplify evaluative processes (Aboulnasr, 2006). Categories that consist of elements perceived as alike or equivalent are constructed based on either objective criteria/cues or subjective criteria (Maheswaran, 1994). For example, an objective cue refers to the information related to factual characteristics of a product category (e.g., materials, weight, size), while subjective criteria may be represented by stereotypes that consumers have about a product category, such as “all Japanese electronics are superior.”

Consumers apply categorization using the more or less cognitively demanding task of assigning products to a specific “country” category (e.g., a Chinese product), a geographic or regional category (e.g., an Asian product), or perhaps just one of the two superordinate categories of “domestic” and “foreign” products. Consumers intentionally or unintentionally and explicitly or implicitly learn about the product nationality of products, brands and institutions (e.g., retailers). Explicit learning refers to memorization of the product nationality from the product labelling, advertisements, word-of-mouth and consumer experiences with products and product categories. Implicit learning refers to knowledge of product attributes from product nationality, such as associating first-rate wines with France or reliable, well engineered cars with Germany. As for intentional vs. incidental learning of product attributes and categories, the categorization literature supports the view that, contrary to conventional wisdom, most of consumers’ learning is unstructured and incidental, resulting in imperfect and biased knowledge (Aboulnasr, 2006; Dickson and Sawyer, 1990; Hutchinson and Alba, 1991).

In arguing that the national origin of a product carries much less weight in consumers’ evaluative processes than the extant literature on product nationality has claimed, Samiee et al. (2005) developed a measure of Brand Origin Recognition Accuracy (BORA). The authors posited that, for some product categories, such as automobiles, origin information may be relevant as a basis for constructing a “country” category (i.e., information is diagnostic and accessible), but is not necessarily relevant for other products. For example, for inexpensive packaged goods, the origin cue may be non-diagnostic so, based on accessibility-diagnosticity theory, consumers have little motivation to store this information in memory.

In a more recent study on consumers’ ability to classify correctly the national origin of brands of a consumer durable product, Balabanis and Diamantopoulos (2008) applied the classification perspective of category learning theory. The authors pointed out that most of the relevant studies that have used categorization theory have focused on inference (internal transfer of knowledge) from the product nationality to the brand, rather than on the actual task of classification. The difference between the two is that, in making inferences, consumers limit their knowledge to the category in question (a single country, i.e., Germany), rather than simultaneously accounting for other categories as they would do with classification, where consumers demonstrate the ability to distinguish between brands of various national origins (i.e., the emphasis is on between-category information).
1.1.3 Product Nationality as the Halo Effect or the Summary Construct

Increasing market complexities that have resulted from globalization of markets and proliferation of products/brands are likely to amplify the significance of the product nationality cue. When the decision-making environment becomes more complex, consumers often resort to simplifying heuristics in their choice behaviour, rather than formally integrating the processing of various information cues (Bettman, 1979; Peter and Olson, 2008). This kind of simplification is often the case for consumer goods that require a medium to low level of involvement or when the cost of searching intrinsic cues to aid decision-making exceeds the benefits (Agrawal and Kamakura, 1999; Ahmed et al., 2004). In such situations, consumers often use extrinsic cues (e.g., product nationality) as indicators of quality (Ahmed et al., 2004).

In consumer cognitive processes, the origin cue may operate in one of two ways, as the halo effect or the summary construct (Han, 1989). Generally, the halo effect mode is prevalent when consumers are relatively unfamiliar with the products from a country (and/or the country itself), and they make inferences about the quality of the product based on their positive or negative images or stereotypes of that country. Consumers may also be motivated to use the product nationality cue to infer the quality of a product when it is difficult to assess prior to purchase or when other information cues are lacking, such as is often the case with purchases made on the Internet (Insch and McBride, 2004). In contrast, when consumers are familiar with the source country’s products, they may use origin information as a summary construct that represents their accumulated knowledge of the brands from that country (Dinnie, 2004; Johansson et al., 1985; Ahmed et al., 2004).

The assumption that products and brands from a particular country have similar traits may allow consumers to draw generalizations about brands from the same country, thereby simplifying their cognitive and information processing effort. However, the hypothesis related to consumers’ level of familiarity with a country’s products was refuted in a recent study; Laroche et al. (2005) found that both country image and product beliefs (evaluation of products) affect consumer choices simultaneously, regardless of the consumer’s familiarity with the country’s products. In consideration of the dynamic nature of the halo effect vs. the summary construct as it relates to CO effects, Nebenzahl et al. (1997, p.53) concluded that “the initial halo role of country image will gradually be replaced by a summary one”, as individuals gain experience with the actual attributes of a country’s products, particularly if their consumption experience is consistent over time.

1.1.4 Alternative Theoretical Conceptualizations

Other theories have also been advanced to clarify how product nationality affects consumers’ product evaluations. Papadopoulos and Heslop (1993; 2002) argued that consumers form their views of products from different countries along seven dimensions: the nation’s level of development, feelings about its people, a desire for closer links with the country, quality, price, the level of market penetration of the country’s products, and prior satisfaction with its products. Similarly, in an attempt to extend the existing knowledge about the cognitive processing of product nationality cue, Laroche et al. (2005) decomposed the construct of country image into three elements: a) cognitive component that involves the country’s wealth and industrial development; b) an affective component that refers to consumers’ emotional responses towards the people of the country; and c) a conative (behavioural) component that reflects consumers’ desired levels of interaction with the
country. Their empirical analysis showed that, when a country’s image has a strong affective component, its direct impact is stronger on product evaluations (operationalized as willingness to purchase) than on product beliefs (operationalized as quality evaluations).

The stream of literature that investigates the cognitive processes underlying the effects of product nationality has been subject to criticism (e.g., Agrawal and Kamakura, 1999; Askegaard and Ger, 1998; Liefeld, 2004; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999; Samiee et al., 2005). The primary condemnation of previous empirical work is that most studies that use hypothetical scenarios or experimental design have disregarded the fact that consumer responses in an actual purchasing environment may be different from those under controlled (survey) conditions because in an actual purchasing environment, a) consumers are exposed to informational cues other than that of product origin, b) consumers may be more motivated to devote cognitive effort to processing the available informational cues about the products, and c) consumers tend to compare available alternatives in their specific markets and derive their decisions in a comparative context. The proponents of the cognitive theoretical stream have posited that, at the point of purchase, consumers are likely to evaluate the actual physical products, brand names, and prices; evaluate attributes and compare product alternatives; and then build quality judgments based on those evaluations and comparisons. On the other hand, researchers have also found that consumers actually spend a trivial amount of time inspecting products at the point of purchase (e.g., Dickson and Sawyer, 1990). In any case, focusing solely on cognitive mechanisms or information-processing perspectives to explain the role of product nationality in consumer choice appears to be inadequate and insufficient.

In sum, herein we examined the theoretical foundations of the effects of product nationality on consumer purchase processes while emphasizing the cognitive, information-processing perspective and, to some extent, affective mechanisms related to country-image stereotypes. The next section addresses another stream of literature that provides a theoretically sound basis for determining the motivations for some consumers’ preference for domestic (foreign) products over foreign (domestic) alternatives and why consumers may reject or develop special bonds (affinity) for products/brands from a specific country or countries. This stream of literature focuses on the affective and normative processing mechanism of product nationality cues.

1.2 Affective and Normative Mechanisms in Processing Product Nationality

While a large portion of the literature on the effects of product nationality focuses on determining how product nationality as a product attribute enters consumers’ cognitive processing, researchers have realized the need to delve deeper into disentangling consumer motivations behind the market behaviour that results from product nationality. It is now widely acknowledged that, in addition to the cognitive processes related to the “quality” dimension of the national origin effect, affective and normative mechanisms both play a significant role in consumer preference formation (Johansson 1989; Hansen, 2005; Verlegh and Steenkamp, 1999). Askegaard and Ger (1998) claimed that consumer knowledge of the national origin of a product may evoke powerful imagery of the country, its people, its culture and/or its national symbols, images that may positively or negatively influence attitude without necessarily affecting the beliefs about product attributes that have been developed via cognitive processes. For instance, a consumer’s emotional attachment to any one country (his/her own country or a foreign country) may result in his or her selecting a product that originates from that nation, regardless of its quality evaluations or other (intrinsic and
extrinsic) attributes. Conversely, negative associations with a country may result in a consumer’s rejection of all products from that country based on affective (e.g., animosity) or normative grounds (e.g., boycotts that are due to disagreement with a country’s political or social stance).

The proponents of this stream of research have posited that providing consumers with information on a product’s national origin invokes specific socio-psychological processes (Bruning, 1997; Campbell and Levine, 1968; Shimp and Sharma, 1987) that stem from fundamental values systems, the individuals’ mindsets, and consumer social contexts, that is, the three facets that are at heart of what we call consumer ideologies in the present work. We define consumer ideologies as the collection of ideas that reflect the social needs and aspirations of individuals and groups with respect to their consumption motivations, activities and choices. The authors who have focused their research on the normative and affective dimensions of the effects of product nationality have tended to rely on theoretical foundations from marketing and social psychology, particularly on theories that offer rationalizations for group influence on individual perceptions, intentions and choice behaviour; and explanations of how the self-concept is construed to affect individual consumption activities. Examinations of group influences on individual behaviour have a longstanding tradition in consumer research, mainly through the study of direct group pressure on product beliefs, the study of indirect pressure to conform to group norms, and assessments of the normative beliefs about what other people think the individual should or should not do (Calder and Burnkrant, 1977; Bearden and Rose, 1990; Bruning, 1997; Fishbein and Ajzen, 1975; 1980). Probably the most widely applied and rigorously researched theory related to explaining individual intentions and behaviour is Fishbein and Ajzen’s (1980) Theory of Reasoned Action (TRA), the basic premise of which is that a person’s intention to perform (or not to perform) a behaviour is the immediate determinant of the action. The theory identifies two antecedents of that intention: the individual’s attitude toward the behaviour (or object) and the subjective norm or the affect of influential others’ points of view on an individual’s intention. Fishbein and Ajzen (1980) posited that, when there is conflict between the two, the relative weight of one of the antecedents prevails.

The second set of theories that offer explanations of the affective and normative dimensions in consumer motivation and choice behaviour is rooted in social psychology and relates to the work on social self-identity by Turner (1987) and Tajfel (1981). The Social Identity Theory (SIT) establishes that it is the link between the individual and the formation of a sense of social identity that explains individual discriminatory behaviour. The theory posits that self-concept consists of a) personal identity (e.g., a person’s talents, sociability, etc.) and b) social identity, which refers to a person’s identification with a social group(s) (e.g., family, community, nation) and the emotional significance attached to this group. Because people have a propensity to build a positive social identity, they seek favourable social comparisons between the “in-group” and the “out-group” on any given dimension of comparison. The fundamental prediction of SIT is that discriminatory behaviour is related to an individual’s degree of in-group (as opposed to out-group) identification. This theory has been previously applied in research on ethnocentrism as one of the consumer ideologies that affects consumer choice of domestic vs. foreign products (e.g., Campbell and Levine, 1968; Lanz and Loeb, 1996).

Several manifestations of consumer ideologies have been studied in the marketing literature, most notably consumer ideologies related to animosity, consumer racism, country affinity, consumer boycotts and consumer ethnocentrism. The affective and normative dimensions in consumer preference formation are examined next.
1.2.1 The Affective Dimension in the Formation of Consumer Preference: Consumer Animosity, Consumer Racism and Country Attachment

Consumer animosity—conceptualized as the remnants of antipathy related to previous or ongoing military, political or economic events toward current or former enemies (Klein et al., 1998; Riefler and Diamantopolous, 2007) – affects consumers’ willingness to buy products/brands originating from a country. The premise of consumer ideology related to animosity is that consumers’ emotions of anger and/or fear directed at some nation(s) will prevent them from buying the country’s products, irrespective of the quality judgments attributed to its products. In a recent study on intra-country animosity in the context of the second Arab Intifada (uprising) in Israel, Shoham et al. (2006) report it was the effect of animosity that prompted Jewish Israelis to substantially reduce their consumption of products from Arab countries. Unlike previous work on animosity but similar to the recent study of ethnic-based animosity (Quellet, 2007), these researchers delivered evidence that animosity also affects product judgments. In view of the increasing interest in this construct by researchers and practitioners alike, Riefler and Diamantopolous (2007) provided a critical review of existing work and, based on an exploratory study of Austrian consumers, concluded that previously examined underlying reasons for feelings of animosity (i.e., economic and war animosities) toward specific target(s)/nation(s) should be expanded to include other country-related causes, ranging from political to religious to even mentality-based causes. They also proposed a respecification of the construct using a MIMIC model.

The work on consumer animosity has been extended into consumer racism (Quellet, 2007). This work also entails affective dimensions in consumer choice behaviour, although it is based on ethnic grounds. Consumer racism is defined as “the antipathy toward a given ethnic group’s products or services as a symbolic way of discriminating against that group” (Quellet, 2007, p.115). The ideology of consumer racism has been found to affect product judgments and choice behaviour well above and beyond the ethnic-based ethnocentrism and ethnic-based animosity in the domestic multi-ethnic marketplace. Quellet developed new measures for these constructs and tested his model across three countries with strong ethnic minority groups (i.e., Hispanics in the US, French/English Canadians and North African immigrants in France), and conducted additional investigations among business owners. He concluded that minority-owned business performance is adversely affected, particularly in the areas of cities with prevalent consumer racism. This work on ethnic-based racism, animosity and ethnocentrism – all triggered by affective (and normative) mechanisms – is likely to pave the way for further work in multi-ethnic countries/regions, particularly in increasingly mobile and ethnically diverse transnational groupings such as those in the European Union.

On the positive side of the affective processes, consumers may relate the source country to national or ethnic identities and to the status and pride of possessing products from that country. For instance, research has noted differences in perceptions of products with respect to their origin depending on the country’s stage of economic development (Reardon et al., 2005). While global brands may be preferred because of their novelty and status-enhancing benefits in the early stages of transition to a market economy, nationalistic motives may enter consumer decisions as a result of heightened competitive pressures when the country enters the later stages (Batra et al., 2000; Leclerc and Schmitt, 1994; Supphellen and Gronhaug, 2003). Moreover, imagery attached to a country may elicit potent feelings and emotional attachments (Verlegh and Steenkamp, 1999). More recent studies on ethnicity and
ethnic product consumption have further attested to these premises (Burton, 2002; Laroche et al., 2003; Quellet, 2007).

1.2.2 Normative Dimension: Consumer Boycotts and Consumer Ethnocentrism

The normative dimension is relevant to consumer choice behaviour when a relevant group (e.g. national or social) norm induces consumer compliance without having to change other beliefs or attitudes about product attributes (Obermiller and Spangenberg, 1989; Pecotich and Rosenthal, 2001). For example, Obermiller and Spangenberg (1989) noted that consumers may evaluate the Nissan brand favourably and feel no anger (animosity) at Japan (as the perceived product nationality of this brand), yet feel compelled to buy a domestic-made car in order to conform to the “buy domestic” pressure of the peer group. Similarly, consumers may generally believe that a country’s products are of good quality and may even like the country’s people and culture, but still choose to boycott products from the country because of the normative pressure related to its government’s policies or practices. Such was the case with consumer boycotts of French products by Australians as a result of the French nuclear testing in the South Pacific (Ettenson, Klein, 2005; Heslop et al., 2008). Johansson (1989) provided another example of what he termed affective (rather than normative) processes related to the product nationality cue: some consumers refuse ever to be seen in a car made in Yugoslavia (i.e., the 1980s Yugo brand), regardless of objective ratings because “peer pressure through social norms can stigmatize “unacceptable” countries’ products” (Johansson, 1989, p.56).

Consumer ethnocentrism is also concerned with the normative processes related to product nationality. Shimp and Sharma (1987) conceptualized consumer ethnocentrism as an individual’s beliefs regarding the moral aptness of purchasing imported products based on the adverse effects such actions may have on domestic employment and economy. Consumer ethnocentrism has been widely studied and its role has been documented in terms of consumers’ domestic vs. foreign consumption practices. The term “ethnocentrism,” as originally introduced by William Graham Sumner in 1906 (in Shimp and Sharma, 1987), refers to the propensity of people to view their own social groups as the centre of everything, to interpret others from their own perspective, ignoring other possible perspectives, and to reject those persons whom they see as culturally or otherwise “different.” This universal sociological phenomenon has seen a wide variety of applications in the contemporary marketing context, from the evolutionary stages of multinational corporations (Perlmutter, 1969; Wind et al., 1973) to managerial decision-making and hiring practices in host-country organizations (e.g., Zeira, 1979). Shimp and Sharma (1987) applied ethnocentrism to the study of consumer behaviour and introduced consumer ethnocentrism as an economic form of ethnocentrism that kicks in when buying foreign-made goods may hurt the domestic economy and endanger employment levels.

This well researched construct includes affective elements (e.g., feelings of belonging and sense of identity) as well as cognitive processes (e.g., an individual’s knowledge of the possible effects of foreign competition). However, it is our contention that the normative dimension prevails because the construct entails a prescriptive course of actions, that is, what consumers should do with respect to their consumption practices in order to prevent adverse effects on domestic employment and the economic welfare of their country (Pecotich and Rosenthal, 2001; Sharma et al., 1995).

Sharma et al. (1995) extended the original work on the conceptualization and measurement of consumer ethnocentrism and proposed a model that also examined why and
under what conditions consumer ethnocentrism is likely to occur. Several constructs were proposed and tested as antecedents to an individual's ethnocentric tendencies: patriotism, openness to foreign cultures, collectivism-individualism and conservatism. Sharma and his co-authors also identified factors that moderate the effect of consumer ethnocentric tendencies on individual attitudes toward importing products: the perceived need for the products being imported and whether the economic threat affects the consumer’s personal welfare or the welfare of the domestic economy. Although their theoretical propositions were confirmed on a sample of Korean consumers, the authors recommended a contextual approach in evaluating the impact of consumer ethnocentrism. The model has undergone a number of international replications, including those that focus on services (de Ruyter et al., 1998) and on consumption of specific products (Javalgi et al., 2005). In addition, several adapted versions of this model have been investigated in the past twenty years. Subsequent empirical studies have examined additional sources and outcomes of consumer ethnocentrism and have found that ethnocentrism’s antecedents and outcomes and their moderators differ according to national context as well as between developing and developed economies (Reardon et al., 2005; Wang and Chen, 2004). In regards to its antecedents in particular, an integrative review of empirical literature in the field (Shankarmahesh, 2006) identified four broad categories of factors that underlie consumer ethnocentrism: socio-psychological factors, political factors, economic factors, and demographic factors. Specific ideology-related constructs of antecedents of consumer ethnocentrism that have been examined in previous studies include world-mindedness, animosity, materialism, dogmatism, and economic and political antecedents. As for the outcomes, previous studies have generally supported a positive correlation between ethnocentrism and consumer preference/bias for domestic goods and/or the willingness to buy domestic products.

3. Merging the Two Literature Streams: Theory Synthesis and Integration

Shankarmahesh (2006) suggested that country-of-origin cues and country norms should be viewed as distinct topics, independent of each other. However, country of origin and consumer ideology research share the same conceptual domain because they both tap into the product nationality issue and incorporate the affective dimension into the consumer preference formation.

In structuring our synthesis of the extant literature, particularly as we examine the two sets of theoretical foundations, we adopted the conceptual framework of consumer preference formation proposed by Obermiller and Spangenberg (1989) and Verlegh and Steenkamp (1999). In their review and meta-analysis of product nationality literature, Verlegh and Steenkamp (1999) suggested that “It may be valuable to design studies in which the cognitive, affective and normative influences are explicitly modeled and their (possibly contradictory) influences are disentangled” (p.539).

The tripartite model, illustrated in Figure 1, distinguishes among the cognitive, affective and normative mechanisms of consumer preference formation with respect to the product nationality cue. In reality, cognitive, affective and normative processes are interdependent and interact with one another. Verlegh and Steenkamp (1999) also argued that one of these mechanisms may be prevalent in the processes of forming consumer preference. Research (for a survey, see, e.g., Ajzen, 2001) has shown that, when affect and cognition are consistent, both contribute strongly and about equally to the evaluation; however, when beliefs (cognitive evaluation) and feelings (affective evaluation) regarding the object are of opposite valence (or when the respondents are ambivalent), feelings tend to predominate.
The cognitive dimension refers to consumers’ processing of the evaluative aspects of information about product nationality whereby consumers infer product quality from a variety of informational cues or stimuli based on their accessibility and diagnostic value (Feldman and Lynch, 1988; Jo et al., 2003; Samiee et al., 2005). In the absence of other cues signalling quality, consumers may use product nationality as a proxy for quality. Consumers may also be affected by emotional responses, that is, how they feel toward other countries in general or toward a specific country. Studies in the first subset of the literature have emphasized the information-processing perspective that puts cognitive and affective mechanisms in the forefront.

Figure 1. Product Nationality Effects: The Tripartite Model of Consumer Preference Formation

Conversely, the main processing mechanism in consumer ideologies, the second subset of the literature, is not on cognitive but on normative and affective mechanisms. That is, a consumer’s emotional attachment to any one country may result in his or her selecting a product that originates from that nation, regardless of how the consumer evaluates its quality, and negative associations with a country may result in the consumer’s rejecting all products from that country based on affective (e.g., animosity) or normative grounds (e.g., ethnocentrism).

Figure 1 shows that previous empirical work within the two subsets of the literature have focused on examining the interplay of the two dimensions (i.e., either cognitive and affective or affective and normative). Emotions have been considered in both streams of the literature, which is consistent with the appraisal theory of emotions. According to Bagozzi et al. (1999), emotions influence cognitive processes as well as volitions, goal-directed behaviour and decisions to help. Previous work has explored the effects of all three mechanisms on consumer attitudes, intentions and conative responses (i.e., behaviour). The majority of existing empirical studies have measured the effects of the preference-formation mechanisms either on consumer attitudes (toward objects or some aspect of purchasing behaviour) or on consumer purchase intentions (e.g., the willingness to buy), rather than examining the effects of product nationality on the actual behaviour (Laroche et al., 2005; Liefeld, 2004). For this reason, we incorporated into the model elements from Fishbein and Ajzen’s (1980) Theory of Reasoned Action, which emphasizes that a person’s attitudes and
intentions precede his or her behaviours and that a person’s intention is a function of personal factors and social influences (subjective norms).

Both subsets of the literature build upon consumers’ beliefs and feelings, and only their integration can enhance the understanding of consumer responses to marketing stimuli. In spite of the increased complexity and sophistication of recent studies on country image, a “pure” CO research no longer suffices. A holistic examination of the impact of product nationality on consumer behaviour requires that all three dimensions be included in the model and be examined simultaneously.

We propose the integrative framework depicted in Figure 2.

![Figure 2. An Integrative Framework for Studying the Effects of Product Nationality Effects](image)

The country-of-origin cue triggers the process of integration, which results in the formation of product attitudes, with some factors in this process acting as mediators. Once formed, the attitudes kindle coping responses, which can assume the form of intentions and/or actual behaviour (e.g., related to purchase, recommendation, complaints). Even though researchers have developed several theories concerning how the processing mechanisms translate into attitudes, our analysis of the extant literature suggests that the factors (influencers) in the evaluation process can be classified into three groups, each related to one processing mechanism. Cognitions regarding the product’s origin translate into product attitudes either by retrieving stereotyped images, which can have either a positive or a negative connotation, or by undergoing a diagnostic procedure. Emotions relate to the positive or negative feelings a consumer harbours toward a particular country and/or to a desire to establish a link to this country and achieve image transference. Product attitudes based on social norms are shaped through individual’s aspiration either to support the economy of a certain country (and thereby increase the welfare of its citizens) or to punish it, e.g., by boycotting its products or refusing to do business with companies associated with it.
Because all three processing mechanisms simultaneously participate in the integration process, discerning and delimiting their individual effects is critical to the ability to draw any meaningful implications. For example, the knowledge of the factors that drive the consumption of local products can be applied when practitioners devise a company's marketing mix. If a study's results indicate that the cognitive component has the strongest influence on forming product attitudes, marketing communication programs should focus on emphasizing product attributes, price-quality ratio, and other elements that affect consumers’ value perceptions. If, on the other hand, the normative processing mechanism assumes an overriding role, domestic product and brand managers are more likely to succeed by developing associations between their offerings and national symbols and/or using rhetoric in their marketing communication that establishes close personal relationships with their customers.

Therefore, careful consideration of the measurement issues is required. Roth and Diamantopoulos (2009) commented that even “the studies that do conceptually distinguish between cognitive, affective and conative facets of country image fail to sufficiently implement this distinction at the operationalization stage” (p.734). Indeed, the established scales often include items that relate to more than one processing mechanism. For example, the NATID scale (Keillor et al., 1996), developed to measure the national identity construct, includes components of a clearly affective nature (e.g., national heritage and cultural homogeneity) as well as normative components (e.g., consumer ethnocentrism). Thus, when one borrows from the existing arsenal of measurement instruments, a careful purification of the scales is called for in the operationalization stage to ensure the content validity of the scales.

The constructs included in the integrative model can be operationalized using a variety of scales. For example, using product-attribute scales, one can conceptualize cognitive elements as the consumer’s appraisal of the attractiveness and quality of products, brands and services (e.g., Parameswaran and Pisharodi, 2002; Klein et al., 2006). Roth and Diamantopoulos (2009) listed several other constructs that measure particular elements in the formation of country beliefs, such as people facet, the economy, and climate. The same authors proposed using scales from the “emotions” and the “attitude” literature to capture the emotional elements. Alternatively, some socio-psychological constructs (or dimensions thereof) associated with consumer relationships to their own social in-groups (home nation, culture or ethnic group) and those associated with how individuals in a society relate to members of out-groups (other cultures, nations, the world) could be included. Examples of the in-group-directed antecedents include patriotism as well as consumers’ sense of national and cultural identity (e.g., Balabanis et al., 2001; Balabanis and Diamantopoulos 2004; Cui and Adams, 2002; Keillor et al., 1996; Rawwas et al., 1996). Examples of other-directed antecedent constructs refer to the positive attributes of cultural openness, global openness, world-mindedness, consumer internationalism and/or cosmopolitanism, but also to the negative attributes of nationalism, animosity and consumer racism (Balabanis et al., 2001; Javalgi et al., 2005; Nijssen and Douglas 2004; Quellet, 2007; Suh and Kwon, 2002). Normative facets of processing mechanism may be captured by including constructs such as consumer ethnocentrism (Shimp and Sharma, 1987) or selected components of the NATID and patriotism scales (Granzin and Olsen, 1998; Han, 1988; Keillor et al., 1996).
Conclusions

Consumer responses to product nationality as a product attribute, its effects on consumer motivation and choice behaviour, and its ultimate implications for marketing research and practice have been explored in the literature from multiple theoretical perspectives. The chronology of the developments in the field demonstrates that, from the visionary idea about the role of world anthropology in globalized markets by Dichter (1962) to the present time, researchers have exhibited an enduring interest in the topic of the effects of product nationality. The majority of the studies, particularly those published in the first few decades of research on the topic, have focused on exploring how product nationality as a product attribute enters consumers’ cognitive processing of various product-related information cues, either in a single-cue or a multi-cue context. New areas of research surfaced when researchers began to investigate the role of product nationality in consumer choice behaviour from a different perspective, that is, from the perspective of consumer ideologies. In this review of the literature, we mapped out the existing theoretical underpinnings which play a paramount role in advancing any systematic field of inquiry. We established that two subsets of research on product nationality effects have emerged, each with its distinct positioning and theoretical foundations. The first subset focuses on the effects of information about product nationality as a quality cue (i.e., on evaluative aspects of information about product origin), and the second one focuses on the effects of product nationality as a reflection of consumer ideologies.

In spite of some criticism, the relevance of the research on consumption that is influenced by product nationality remains. Even though cognitive information may be losing its meaning in the globalized world (as Liefeld (2004) and Samiee et al. (2005) pointed out), the recent economic recession reminds us that the normative facet of processing mechanism gains its importance in times of economic hardship as consumers’ concern about their domestic economies increase. In such an environment, consumers may be enticed to seek out information on product nationality in order to identify and purchase domestic products, and to support the domestic economy.

Adopting a holistic approach to studying the effects of product nationality on consumption represents a step toward closing “the relevance gap”. In addition, a generalizable theoretical framework makes it possible to evaluate systematically the collection of positive and negative effects identified thus far in the research on product nationality. Studies that allow a simultaneous assessment of different facets of processing mechanism can lead to a better understanding of consumer behaviour. At the same time, delineation of the underlying processing mechanisms leads to deeper insight into consumer decision-making and provides relevant input for designing efficient and effective marketing strategies.

References


VARTOTOJŲ ELGSENOS IR PRODUKTO KILMĖS SĄVEIKĄ: SRITIES IR JOS TEORINIŲ PAGRINDŲ EVOLIUCIJA

Tanja Dmitrović, Irena Vida

SANTRAUKA

Vartotojai reaguoją į produkto kilmę kaip į prekės atributą, tai veikia vartotojų motyvaciją ir pasirinkimą. Be to, produkto kilmė didėjo mokslininkų susidomėjimą kelianti sritis. Šiame straipsnyje mes apžvelgiame, klasifikuojame ir sintetiname mokslinių tyrimų srovės, kurios nagrinėja produktų, prekės ženklų, paslaugų ir organizacijų (nacionalinės) kilmės vaidmenį vartojime.

Visų pirma mes pateikiamе chronologinę literatūros apžvalgą, kadangi ji plėtojosi nuo 1960-ųjų. Tuomet, mes nagrinėjame teorinius teiginius ir koncepcijas, kad galėtume pateikti produkto kilmės padarinius ir identifikuojame dvi pagrindines mokslinės literatūros srovės: a) studijos, susijusios su kilmės šalies (KŠ) tyrimais, b) tyrimai, nagrinėjantys susitelkia ties vartotojo ideologija.

Išsiaiškinome, kad dvi minėtos tyrimų srovės nagrinėja skirtingas teorines perspektyvas ir yra pagrįstos skirtinos pagrindiniais mokslinių tyrimų pasitenkinimo formavimas mechanizmais. Kilmės šalies studijos siekia pabrėžti informacijos apdorojimo perspektyvą su pažintiniais ir efektyviais mechanizmais pagrindinėje pozicijoje, tuo metu, kai vartotojo ideologijos tyrimai susitelkia ties pirkimo elgsena, pagrįsta normatyvine ir pažinimo apdorojimo technikomis.

Identifikuodami panašumus ir skirtumus tarp dviejų literatūros sroviių, mes bandome nustatyti pastovų pagrindą būsimiems empiriniams produkto kilmės poveikio vartotojų elgsenai vertinimams. Siekdamos iškelti šį užsidėtą tikslą, šiame straipsnyje pateikėme produkto kilmės ir vartotojų elgsenos sąveikos modelį.

REIKŠMINIAI ŽODžIAI: kilmės šalis, vartotojų elgsena, vartotojų ideologija.