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## A Review of New Trends for Country of Origin Research

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**Abstract:** As one of the hottest issues in international marketing and consumer behavior, the research associated with Country of Origin (COO) has been progressed since 1960s. From analyzing the fundamental mechanism, developing multiple constructs, such as Product Country Image (PCI) and Country Image (CI) to integrating COO image with Travel Destination Image (TDI), country of origin studies have extended to the more refined and interdisciplinary perspectives. This study reviews the current literature of COO studies and finds some new perspectives and theoretical basis in this field. This study also proposes recommendations for future research.

**Key words:** Country of origin, country of origin image, interdisciplinary research, associated network theory, elaboration likelihood model

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### INTRODUCTION

Country of Origin (COO) was firstly pointed out by (Schooler, 1965). Originally it is a concept related to “made in” orientation which leads to a large amount of literature based on a product oriented COO viewpoint (Han, 1989; Schooler, 1965; Zhang *et al.*, 2012; Zhou *et al.*, 2012). However, by confronting with the rapid development of international business and markets, more hybrid products which may be designed in one country and manufactured by another country, come out, such as popular digital products iPhone series. In the field of the COO mechanism, COO affects on consumer behavior. From COO decomposition, general COO concept (country image) to service oriented COO effect, there are approximately 500 relevant studies published since 1960s (Jaffe and Nebenzahl, 2006; Zhang *et al.*, 2012).

### NEW PERSPECTIVES OF COUNTRY OF ORIGIN RESEARCH

In recent years, as the popularity of country of origin in terms of international marketing, business even consumer behavior (Wang *et al.*, 2012), COO scholars have extended COO studies to a more interdisciplinary and refined perspective. In terms of an interdisciplinary viewpoint, some researchers integrated COO with tourism research, especially combined COO image and travel destination image into one conceptual model to testify their interaction effect on product image and

consumer behavior (Elliot *et al.*, 2011; Lee and Lockshin, 2011; 2012; Nadeau *et al.*, 2008).

On the other side, some scholars focused on a refined sub-branch of COO study which is of service oriented COO study or Country of Service Origin (COSO) (Berentzen *et al.*, 2008; Javalgi *et al.*, 2001; Thelen *et al.*, 2010). However, there is limited literature referring to an interdisciplinary or service oriented perspective which can be the future trends for COO studies.

**An interdisciplinary COO perspective:** Both the COO image and Travel Destination Image (TDI) researches are relatively different and paralleled aspects. Image is defined as “the summation of beliefs, attitude and impression about particular object by one person or group” and “this object can be a company, product, brand or even a person” (Barich and Kolter, 1991). Obviously, both of COO image and TDI are rooted on the “image” basis. They are the concepts which both illustrate how beliefs influence on consumers’ evaluation and behavior based on attitude theory (Zhang and Cai, 2011). COO image is a more abstract and “hierarchical” construct, refers to three levels of “general country image”, “product-country image” and “image associated with particular product” (Mossberg and Kleppe, 2005). TDI only develops a “vertical” construct around the concept of tourism destination (Mossberg and Kleppe, 2005). Thus, COO image and TDI are the roughly different constructs developing in two distinct domains (i.e., international marketing VS tourism).

On the basis of COO image and TDI commons, some scholars conducted researches by integrating these two constructs into one conceptual model to examine their interaction and impact on consumer behavior (Elliot *et al.*, 2011; Lee and Lockshin, 2011; 2012; Nadeau *et al.*, 2008). One group of researchers has carried out empirical studies based on attitude theory since 2008. Their researches testified the interaction between COO image (or country image) and TDI. Basically, COO image can influence the formation of TDI (Elliot *et al.*, 2011; Lee and Lockshin, 2011; Nadeau *et al.*, 2008). Conversely, the TDI can also affect the formation of particular COO image of consumers (Elliot *et al.*, 2011; Lee and Lockshin, 2011). More recently, some researchers also examined the influence of COO image and TDI on consumer related factors, such as product preference and travel intention. Another group of scholars employed another theoretical perspective, Associate Network Theory to investigate the basically same hypothesis associated with COO image and TDI (Bowe, 2011; Bowe *et al.*, 2011; 2012; Lee and Lockshin, 2012). One difference is that they choose product image as a dependent variable to verify the influence of COO image and TDI. These two research groups produced the same conclusions that there is a significant interaction between COO image and TDI through an interdisciplinary perspective. However, quite few current literatures focused on this crossover viewpoint (Lee and Lockshin, 2011).

**A service oriented COO perspective:** As the popularity of developing COO research, product-oriented COO studies are the mainstream in this field. Abundant literatures focused on exploring product COO effect as an external information cue, especially a quality cue like “price” which impacts on consumer behavior (Bloemer *et al.*, 2009; Zhang *et al.*, 2012). A small group of scholars devoted on examining the effect of service oriented COO, or called Country of Service Origin (COSO) (Berentzen *et al.*, 2008; Zhang *et al.*, 2012). It is an advanced COO study which extends COO to a service context. COSO was defined as “a perception that consumer evaluates particular service provided by specific company from a foreign country in relation to the stereotype of this country which already exists in his/her mind” (Thelen *et al.*, 2010). Therefore, people may evaluate a service or the capability of the service provider based on a partial cognitive opinion, especially when they are not familiar with it (Bloemer *et al.*, 2009). Country of origin is no longer involving in the product issues but also the service ones (Zhang *et al.*, 2012).

Additionally, a few studies are related to the influence of COSO. For example, Javalgi *et al.* (2001) reviewed literature in both the international service and

COO studies during a period of 20 years. Their research was based on three levels of service, “COO within supplementary service”, “cross national or culture service” and “COO with core service” (Javalgi *et al.*, 2001). They found that COO effect also is applied to the service context, similarly with the product COO effect. Additionally, Thelen *et al.* (2010) applied COSO effect to a specific domain, offshoring industry. Both of studies highly approved the existence of COSO effect on consumers. Moreover, Zhang *et al.* (2011) conducted an advanced empirical research. They not only discussed the existence of COSO effect on customer evaluation but also explored the moderator variables impacting on this effect. These moderators include intangibility and interactivity attributes of service. Specifically, service intangibility strengthens the COSO effect and interactivity weakens the COSO influence (Zhang *et al.*, 2012). Therefore, a more refined sub-branch of COO study-country of service origin may be an advanced perspective for COO research.

#### **NEW THEORETICAL BASIS OF COUNTRY OF ORIGIN RESEARCH**

As the popularity of COO in international marketing and consumer behavior even extending to the tourism domain, the mainstream of theoretical basis is of general attitude theory. Many scholars conducted COO related studies based on this theory. However, despite the widely applied attitude theory for COO research, there is one specific memory related theory and another accurate attitude theory utilized in a few COO literatures. One is called Associate Network Theory (Romaniuk and Gaillard, 2007) and another is named as Elaboration Likelihood Model (ELM) (Bloemer *et al.*, 2009; Petty and Cacioppo, 1986).

**Associate network theory basis:** A few scholars integrated COO studies with tourism study by combing both the COO image and TDI into one conceptual model (Bowe, 2011; Bowe *et al.*, 2011; 2012; Lee and Lockshin, 2012). Nevertheless, some of these researchers applied a specific theoretical perspective called Associate Network Theory. Associate Network Theory (ANT) is of a psychological theory defined the situation that one person’s memory is influenced by the existing associate network in his/her mind. People’s memory is constituted by some links and nodes which contain information. All these links and nodes form an associate network in human memory (Romaniuk and Gaillard, 2007). However, quite few researches applied ANT in COO related studies (Lee and Lockshin, 2011). Only a few scholars employed ANT in their COO and TDI interdisciplinary studies.

For example, Bowe (2011) applied ANT in a COO image and TDI context. He illustrated that in people's memory, some informational nodes (such as county name or product experience) link with other informational nodes (e.g., tourism overview about Australia and Australian wines). These linkages enable the information nodes to be connected with each other (Bowe, 2011). When one informative node is recalled it may entail another linked node to be remembered as well (Bowe, 2011). Bowe *et al.* (2011) combined the ANT with Spreading Activation Theories of Retrieval which advances the explanation mechanism that how one COO cue link with other memorized information. They utilized Spreading Activation Theories of Retrieval to clarify that the retrieval of memory which is described as the situation that one informational node is activated by an external cue (Bowe *et al.*, 2011). If one node is activated it can entail other linked node to be activated as well (Bowe *et al.*, 2011).

**Elaboration likelihood model basis:** Currently, Elaboration Likelihood Model (ELM) is another theoretical basis for COO research. It is a physiological theory that explains the information processing pattern of consumers (Bloemer *et al.*, 2009; Petty and Cacioppo, 1986). Petty and Cacioppo (1986) proposed that there are two approaches that consumer process information. One is called as "central route" when both the motivation and ability of consumers are high (Bloemer *et al.*, 2009). Another path is named as "periphery route" when one of the motivation and ability is low (Bloemer *et al.*, 2009). Bloemer *et al.* (2009) utilized COO-ELM model to illustrate four cognitive process conditions, "halo effect", "summary construct effect", "product attribute effect" and "default heuristic effect" and then provided three propositions which explored the specific condition for each effect (Bloemer *et al.*, 2009). They mentioned that their research was based on a cognitive perspective to explore the applied condition of each COO effect. Based on the COO-ELM model, a few scholars applied this model in their specific COO researches. Magnusson *et al.* (2011) employed this model to criticize the view that COO was no longer suitable in international marketing by testifying the "county of brand origin" effect on product evaluation of consumers. Khan *et al.* (2012) applied COO-ELM model to investigate the buying decision of expert consumer about foreign produced products. Therefore, although COO-ELM model is based on the attitude theory context it provides a more specific approach to advance the constructs and mechanism of COO.

## CONCLUSION

As the focus of international marketing, international business and consumer behavior, the studies for country

of origin have lasted over half of a century. From exploring the connotation of COO, discovering the COO effect mechanism, developing multi-constructs of COO to extending the more interdisciplinary and sub-branches of COO studies, scholars have devoted nearly 500 literatures (Jaffe and Nebenzahl, 2006; Zhang *et al.*, 2012). This study reviews the current literature of COO research and finds two relatively new perspectives as well as two refined theoretical basis for COO research. There is an interdisciplinary trend to integrate COO and tourism studies, especially on the COO image and travel destination image. In addition, a sub-branch of COO research, Country of Service Origin (COSO) is of an emerging study issue for COO studies. Although many COO researches were based on attitude theory, some scholars proposed a more specific theoretical perspective by applying Associate Network Theory to examine the cross-study of COO image and TDI. Bloemer *et al.* (2009) suggested a COO-ELM model to deeply understand the applied condition about four prior tested COO effects which enables a few COO researches reference on this psychological model. However, there is a need to explore the more systematic definitions and dimensions of these constructs for future COO studies. Future research may build up an in-depth mechanism for COSO research, especially developing more robust empirical evidence. Although integrating the COO research with tourism study is not in the mainstream of COO scholars, a few of interdisciplinary studies which combine both of the COO and other related subjects may be progressed in the future.

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