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Identification, Conceptualization, Operationalization and Measurement of Three Components of Country-of-Origin and Their Effects on Consumer Behavior

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Abstract

The Country-of-Origin (COO) construct and its effects on consumer behavior have obtained considerable attention by marketing researchers and managers over the last decades, as COO drives consumers' product evaluations and purchase intentions. However, despite the large body of existing research, it is still one of the most controversial research fields in which no agreement on its conceptualization and operationalization has been reached. Thus, no integrative framework that is capable of explaining how individuals mentally form, store and use representations of COO in their minds has been provided by academicians so far, which is limiting the advancement of the entire research area and making it difficult for managers to apply.

The present paper aims at closing this gap by proposing a formalized framework, which defines and conceptualizes three structural dimensions of individuals' mental pictures of COO by conflating existing COO literature and applying seminal social and cognitive psychology research. This framework, called Country-Origin Model (COM), consists of 1) a COO Image: an overall evaluative cognitive component, 2) a COO Imagery: a multi-dimensional cognitive component and 3) a COO Affect: an affective component. These three components exist as complementary but qualitatively distinct mental structures in the minds of individuals, enabling them to form preferences and guide behavioral intentions.

A qualitative study, followed by a quantitative study, were conducted to gather data on individuals' opinion on 'Germany as a car manufacturer', and a multivariate data analysis method, Structural Equation Modelling (SEM), was applied to test the proposed COM. The results provided significant empirical evidence that support the conceptualization and measures of the COM, making it a valid model that allows to understand how individuals mentally link COO in their minds and how it affects their behavioral intentions.

Keywords:

Attitude Theory, Affect, Behavioral intentions, Consumer Behavior, Country Image, Country-of-Origin, Imagery, Psychology, Structural Equation Modelling, Willingness-to-Buy, Willingness-to-Pay, Word-of-Mouth

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List of Abbreviations

ANOVA	Analysis of Variance
AVE	Average Variance Extracted
CA	Country-of-Origin Affect
CETSCALE	Consumer Ethnocentric Tendency Scale
CI	Country-of-Origin Image
COM	Country-Origin Model
COO	Country-of-Origin
CY	Country-of-Origin Imagery
e.g.	exempli gratia (for example)
EVM	Expectancy-Value Model
i.e.	id est (that is)
PCI	Product-Country Image
PLS	Partial Least Squares
PLS-SEM	Partial Least Squares Structural Equation Model
SEM	Structural Equation Model
VIF	Variance Inflation Factor
WOM	Word-of-Mouth
WTB	Willingness-to-Buy
WTP	Willingness-to-Pay

1. Introduction

"The little phrase 'Made in…' can have a tremendous influence on the acceptance and success of products over and above specific advertising techniques used by themselves"

(Ernest Dichter 1962: 116)

With this statement, Ernest Dichter (1962), a psychologist and marketing expert, was among the first who emphasized the powerful influence a product's 'Made in' label may exert on consumers' purchase intentions, irrespectively of its physical characteristics and the advertising strategies involved. However, the deep interest in origin research and its effects on consumer behavior was first triggered by the empirical study of Schooler (1965) that demonstrated the influence of differing 'Made in' labels on product evaluations. More specifically, the study revealed that products that were identical in all respects apart from their Country-of-Origin (COO) as indicated by their 'Made in' labels, led to significant differences in the consumers' evaluations of the products. Since then, the COO construct has obtained considerable attention by various international marketing researchers and managers, leading to over 1000 publications devoted to further explore COO and its effects.

The relevance of COO, often referred to as country image, and its effects become especially apparent when corporations from differing industry sectors announce product recalls due to toxic contamination of products and product parts, nonconformity of quality standards or similar reasons. Over the last decades, a series of recalls of Chinese products have been announced in the United States of America, leading not only to a ban of these products but also to the fact that American consumers became more sensitive to a product's COO and specifically search for products 'Made in USA' (Martin 2007). The most recent scandal, the Volkswagen Emissions Scandal, was exposed by the Environmental Protection Agency, and concerns the COO Germany. The German automobile manufacturer Volkswagen, one of the biggest automobile companies in the world (Forbes 2015), sold approximately 11 million cars worldwide that were equipped with a specific 'defeat device' that deliberately lowered the carbon dioxide emissions level when being tested (The New York Times 2016). Although Volkswagen promised its customers efficient and emission-friendly diesel cars, the defeat device yielded the opposite, leading to an increase in emissions, which are above legal limits and are assumed to cause bronchitis and other diseases. The consequences of the

Volkswagen Emissions Scandal are manifold. The German car manufacturer faces record losses, a significant drop in sales and company value, and has to settle several lawsuits in the USA and possibly other countries (The New York Times 2016). And despite Angela Merkel's, German Federal Chancellor, claim that she does "not believe that 'made in Germany' got a scratch by what happened at Volkswagen" (The Guardian 2015), Volkswagen's reputational damage and the damage to the image of 'Made in Germany' might be more severe and the repercussions remain to be seen.

That COO is indeed relevant to consumers and subsequently to corporations has been underlined by many, various studies indicating that a product's COO acts as a signal of product quality, thus driving consumers' product evaluations (Han and Terpstra 1988) and consequently coloring their decision-making processes (Herz and Diamantopoulos 2013). However, despite the relevance of the COO construct and the large body of existing research dedicated to further explore COO and to unveil its effects, it is still one of the most controversial research fields in which no agreement on its conceptualization and operationalization has been reached (Laroche et al. 2005), resulting in the fact that "country-of-origin effects are still poorly understood" (Verlegh and Steenkamp 1999: 521). Conflicting views exist between researchers on what COO comprises and how it is formed in the individual's mind. While some researchers conceptualize COO as "a simplification of a large number of associations and pieces of information" (Kotler et al. 1993: 141), others conceptualize COO as 'stereotypes' (e.g. Nagashima 1970) or 'descriptive, inferential and informational beliefs' (Martin and Eroglu 1993). Further, there is no consensus on whether COO is solely a cognitive construct, an affective construct or even a combination of both. For instance, Verlegh and Steenkamp 1999: 523) argue that COO is "not merely a cognitive cue for product quality, but also relates to emotions, identity, pride and autobiographical memories" (Verlegh and Steenkamp 1999: 523), which is in line with Häubl (1996), who includes a cognitive and an affective component in the COO construct, but stands in contrast to Martin and Eroglu's (1993) conceptualization that COO solely involves distinct cognitive constructs. It becomes clear that a lack of homogeneity in the theoretical and methodological dimensions of the COO construct (e.g. Bilkey and Nes 1982; Roth and Diamantopoulos 2009) has resulted in various and often inconsistent views on the conceptualization of COO. Thus, academicians have so far not been able to provide an integrative framework capable of

explaining the COO construct and its effects on behavioral intentions (e.g. Jaffe and Nebenzahl 2006; Knight and Calantone 2000), despite its relevance. Consequently, and not surprisingly, the empirical work on COO has often resulted in conflicting findings (e.g. Pappu et al. 2006) that limit the advancement of the whole research area and make it harder for managers to apply the construct.

1.1 Research Question

The present study aims to close the gap of existing dichotomies in COO research and the missing integrative framework by conflating existing COO and seminal psychology literature. More specifically, the objective is to propose a formalized framework, which defines and conceptualizes three structural dimensions of individuals' mental representations of COO, and to unveil the effects of these mental representations on behavioral intentions by means of an empirical test.

Based on the above, the research questions of the present study are as follows:

How do individuals form mental representations of a Country-of-Origin in their minds?

And how do these mental representations affect the individuals' behavioral intentions?

The choice was made to investigate these research questions in the context of Germany as a car manufacturer, as the recent Volkswagen Emissions Scandal provides a reasonable context to identify how individuals form mental representations of Germany, and how these mental representations affect the individuals' behavioral intentions.

1.2 Structure of Present Study

The structure of the present study is as follows: The proceeding chapter outlines and discusses existing COO key literature, enabling the reader of this study to gain a better understanding of the COO construct and the major milestones that have incrementally advanced the knowledge of COO research over the last decades. Further, the major shortcomings and existing challenges within this much-researched area are outlined. Hereafter, three structural components of the COO construct are identified and conceptualized by merging existing COO literature and applying seminal psychology literature. At the same time, several hypotheses are developed on how these components

interact and relate to each other, and how they affect the individual's behavioral intentions. Following this, the three components, defined as Country-of-Origin Imagery (CY), Country-of-Origin Image (CI) and Country-of-Origin Affect (CA) are merged into a formalized framework, named Country-Origin Model (COM). In Chapter 4, the philosophy of the present study is outlined, describing the creation of knowledge by which the research question is answered. In Chapter 5, the different forms of operationalization of COO in existing studies are discussed. Based on the flaws of distinct existing COO measures and various approaches taken by marketing and psychology researchers, newly developed measures are elaborated that are in line with the conceptualization of the three components of the COM. Chapter 6 outlines the applied methods, a mixed methods design that combined both, a qualitative and a quantitative study to test the developed COM in the context of Germany as a car manufacturer. Following this, the choice of the statistical method is presented and the measures' reliability and validity are assessed. Hereafter, the developed hypotheses on the COM are tested and the results are outlined. In Chapter 8, the results are discussed, and academic as well as managerial implications are provided, before the limitations and several avenues for future research are being outlined in Chapter 9.

2. Literature Review

In the proceeding chapter, the existing key literature of the Country-of-Origin construct is outlined and discussed. The purpose is to provide the reader with an understanding of the key advancements that have been reached in COO research by several scholars within the last decades. Further, the major shortcomings within the current COO literature are consolidated.

2.1 Literature Review - Country-of-Origin

The Country-of-Origin (COO) construct, also widely recognized as country image, has obtained considerable attention by marketing researchers and managers since its introduction by Schooler in 1965, who found that consumers' product evaluations can differ according to the Country-of-Origin of the product.

In his seminal paper, published in the Journal of Marketing Research, Schooler (1965) empirically tested the influence of a product's 'Made in' label on the product evaluation in the Central American Common Market. Hereby, the tested products were identical in all respects apart from its COO, as indicated by the 'Made in' label. The results revealed that distinct 'Made in' labels led to significant differences in consumers' evaluation of the products, proving the existence of a COO effect. More specifically, Schooler (1965: 396) argues that "an attitude towards the people of a given country is a factor in existing preconceptions regarding the products of that country". However, the direction and strength of COO effects have not been investigated by Schooler (1965). Although Schooler's study is not generalizable to wider populations, as it was only conducted with a random sample of 200 part-time students from the same University in Guatemala, Schooler triggered the interest in origin research and created a foundation for future research on the COO construct and its effect on consumer behavior.

More specifically, over 1000 publications related to COO research have been made. Of these, at least 400 have been published in academic, peer-reviewed journals (Usunier 2006; Roth and Diamantopoulos 2009), covering among other studies on diverse origin countries and a variety of product categories (e.g. Häubl 1996; Papadopoulos et al. 2000), attributes examined alongside COO (e.g. Johansson et al. 1985) and various literature reviews (e.g.

Bilkey and Nes 1982; Roth and Diamantopoulos 2009). Due to the vast amount of available publications, this literature review solely outlines key contributions, which have incrementally advanced the knowledge of COO research over the last decades. Further, this literature review not only provides the reader with a better understanding of several obstacles that have been remedied by researchers, but also outlines still existing challenges within this much-researched area. The applied measures and sampling methods of distinct existing COO studies are outlined and further discussed in Chapter 5 "Operationalization of COO in existing Studies and newly developed Measures."

2.1.1 Dynamic Nature of Country-of-Origin

A key contribution towards the advancement of COO research was achieved by Nagashima's (1970) cross-cultural image study and his follow-up study (1977) in which he compared Japanese and American attitudes towards domestic and foreign products by employing a semantic differential method.

Nagashima (1970: 68) defines a country's 'Made in' image as "[…] the picture, the reputation, the stereotype that businessmen and consumers attach to products of a specific country. This image is created by such variables as representative products, national characteristics, economic and political background, history and traditions". Although Nagashima is using the term country image, his definition refers to the image of products from a specific country rather than the image of the country itself. Generally, COO studies can be divided according to what is being under investigation: either the country's image or the image of products from a particular country. Nagashima applied a product-oriented perspective towards the country image, which became prevalent in following COO research (Josiassen et al. 2013). In his study, Nagashima (1970) applied an evaluative approach to measure attitudes towards products from certain countries. More specifically, a random sample of 230 Minnesotan businessmen and 100 businessmen from Tokyo were asked to complete a questionnaire based on a semantic differential scale to measure their attitudes towards products made in Japan, United States of America, Germany, England and Italy, whereas France replaced Italy for the Japanese participants. The results showed, among others, that American businessmen rated 'Made in Japan' products much higher compared to Japanese businessmen, who rated this product label lower, revealing the different attitudes

respondents from certain countries hold against products from a given country. Another conclusion drawn by Nagashima (1970: 74) was that "[…] the 'made-in' image is naturally affected by the familiarity and availability of the country's product, and the stereotype of that country".

Nagashima (1970; 1977) was able to make a contribution to the COO research by conducting a follow-up study in 1977, in which he replicated his earlier 1970's study with Japanese businessmen to determine whether or not any attitude change towards the 'Made in' image of products could be identified. And indeed, Nagashima's results revealed that Japanese businessmen evaluated the 'Made in Japan' label higher compared to their previous evaluation made in the study conducted in 1970, and also the overall image of the other 'Made in' countries had moved either in a positive or negative direction, indicating a dynamic nature of Country-of-Origin. These findings are in accordance with a later study conducted by Papadopoulos et al. (1987), and also Lampert and Jaffe (1998) supported the dynamic character by introducing a dynamic model of COO effects.

To summarize, Nagashima (1970; 1977) advanced the COO research by means of two major contributions. With his longitudinal approach, Nagashima not only moved away from cross-sectional studies, a standard approach upon research which takes place in a single time and place, but also suggested a dynamic rather than static nature of COO, namely that COO images may change over time. This finding may be of relevance for marketers and corporations that suffer from a negative COO image of their products as an image change may be possible in the long term. However, it should be noted that Nagashima neither provided a proper explanation on why these COO image changes have occurred nor on how a COO image change could be initiated. Additionally, it should be pointed out that Nagashima made a further contribution as he modified and applied a semantical differential method in his study, which has been widely accepted and deployed in future COO research (Malhotra 1981). However, as pointed out previously, the applied measures within COO studies, such as the semantic differential method, are outlined and discussed in chapter 5.

2.1.2 First Literature Review

The first and one of the most cited literature reviews of COO research and its effect on consumers' product evaluations was provided by Bilkey and Nes (1982), who qualitatively

assessed the results of twenty-five COO studies and developed implications for future research. The overall conclusion drawn from this evaluation was that "all of the studies reviewed indicate that country of origin does indeed influence buyers' perceptions" (Bilkey and Nes 1982: 94).

This literature review is being considered as a key contribution to COO research, as it unveiled several key weaknesses of existing COO studies at that point of time and initiated further research objectives to overcome these weaknesses. More specifically, Bilkey and Nes (1982) criticized that researchers in prior COO studies (e.g. Reierson 1966; Schooler 1965) applied a rather simplistic approach by treating COO as a single cue. Generally, individuals form their evaluation of a product based on informational cues, which can be separated into extrinsic cues that represent non-physical parts (e.g. price and brand name), and intrinsic cues that represent the physical parts (e.g. quality and design) of a product (e.g. Han and Terpstra 1988). Nevertheless, in previous single-cue studies the product's COO, an extrinsic cue, was the only informational product cue to be manipulated and consequently, COO was the only informational cue on which consumers based their evaluations. Given the fact that not only Country-of-Origin but also other intrinsic and extrinsic informational cues may form a product's image, single-cue surveys and experiments constitute an impediment in COO research to the extent that the significance of COO effects is overestimated (e.g. Bilkey and Nes 1982; Johansson et al. 1985). Also Eroglu and Machleit (1989) emphasized in a later study that the image of a COO is only one of many extrinsic cues that may account for a product's overall image, indicating the necessity to consider and involve other informational cues in assessing COO effects.

On that account, Bilkey and Nes (1982) advocated to involve multi-cue studies in future research to conform to real life purchasing conditions, and consequently to identify how important and influential the focal cue, Country-of-Origin, really is. Another implication made by the two authors based on existing COO studies was, that additional research on the COO subject should be conducted to further explore its theoretical and practical consequences.

2.1.3 Multiple Facets of Country-of-Origin

In order to further assess the impact of Country-of-Origin on product evaluations, Johansson and his colleagues applied a multi-attribute approach in several of their COO studies. This multi-attribute approach makes it possible to examine the impact of various attributes on product evaluations, considering Country-of-Origin as being one among many. Furthermore, this approach may take an individual's familiarity with and knowledge about a product class into consideration, which are considered to have an effect on product evaluations (e.g. Moreland and Zajonc 1979).

More specifically, the study of Johansson et al. (1985) encompassed automobiles as product category, and participants from the United States and Japan were asked to evaluate automobiles from three different origin countries, namely Japan, Germany and the United States based on various attributes. The 13 selected attributes for the participants to evaluate on were both, intrinsic and extrinsic product cues. More precisely, color selection, styling, workmanship, durability, reliability, passenger comfort, driving comfort, safety, gas mileage, acceleration, horsepower, handling and price (Johansson et al. 1985). It should be emphasized that these attributes were not randomly selected by the authors. These attributes rather reflect the most frequently mentioned associations participants from two preceding pilot studies had and perceived to be relevant when evaluating automobiles (Johansson et al. 1985). Thus, the examined attributes could be regarded as being realistic and not abstract because most individuals might attach importance to the chosen attributes when judging automobiles.

This study indicates two major findings. First, the overall evaluation of automobiles is not affected by the origin country, but the origin country does impact the evaluation of specific product attributes to some extent. Furthermore, an individual's evaluation of these specific attributes is influenced by the overall evaluation of automobiles. This result is consistent with previous research findings by Erickson et al. (1984), who reported that a country image appears to influence an individual's evaluation of specific attributes, but not the overall product rating. Second, specific factors, such as the familiarity with a product class, can moderately influence an individual's product evaluation. More specifically, Johansson et al. (1985) found that individuals, who were more familiar with a product class, relied more on

the extrinsic COO cue when conducting their product evaluations. However, an increase in familiarity with a product did not necessarily result in a more favorable evaluation of the product. Thus, further examinations of specific factors influencing the use of information, such as the degree of experience or familiarity with a product, were suggested by the authors (Johansson et al. 1985). And indeed, several scholars initiated further research to investigate the relationship between an individual's product familiarity, or product knowledge, and COO information. However, those studies yielded contradictory results. While some scholars have identified a positive relationship between product knowledge and the utilization of COO information (e.g. Heimbach et al. 1989), other scholars have identified a negative relationship (e.g. Hong and Wyer 1989; Maheswaran 1994). An explanation for the cause of these contradictory research results might be that different methodologies have been applied within these studies.

With this new methodological approach, Johansson and his colleagues responded to Bilkey and Nes' (1982) critique of single-cue approaches and simultaneous recommendation to conduct multi-cue studies to identify the relative impact of an COO on product evaluations. More precisely, single-cue studies have been criticized by researchers to have overestimated the significance of COO effects, thus ignoring other relevant product attributes on which individuals could base their evaluations (e.g. Bilkey and Nes 1982). Johansson et al. (1985: 395) supported this critique after having conducted their study by emphasizing that "country-of-origin effects may be less significant than has generally been believed." This view was also reiterated in later COO studies by Peterson and Jolibert (1995) and Samiee et al. (2005), who underlined that COO effect sizes on consumer behavior are greater in single-cue studies than in multi-cue studies. Although the methodology chapter of Johansson et al.'s (1985) study revealed shortcomings, for example, the sample selection method which makes it difficult to generalize findings, Johansson and his colleagues made a key contribution to the advancement of COO knowledge by adopting a multi-attribute approach, unveiling the complexification of the COO construct and initiating further research areas.

Further, the ongoing globalization brings along global trade opportunities, which facilitate individuals with the opportunity to choose from a wide array of various foreign-made products on a daily-basis. This is facilitated by corporations that take advantage of the opportunities related to global trade and low trade barriers, for example, by offshoring

manufacturing facilities abroad or by sourcing products and materials from multiple countries to benefit from cost reductions. Consequently, a product's components might descend from various countries (Samiee 2010) and not from a single place of origin (Papadopoulos 1993) and thus, products may have more than one Country-of-Origin (Jaffe and Nebenzahl 2006; Nebenzahl et al. 2003). Further, the COO of a product may be different from the COO of the brand it belongs to, and is therefore often referred to as hybrid or bi-national product (e.g. Ettenson and Gaeth 1991). As a consequence, individuals may have difficulties to identify a product's COO (e.g. Balabanis and Diamantopoulos 2008) as they may hold various and even distinct country images of one product in their minds (e.g. Papadopoulos 1993; Jaffe and Nebenzahl 2006). Thus, it is difficult to identify which COO information impacts an individual's decision-making process (Herz and Diamantopoulos 2013) and perception of the product (Jaffe and Nebenzahl 2006).

Not surprisingly, some researchers argue that COO effects become gradually insignificant considering the global economy (Samiee et al. 2005; Usunier 2006). Further, Papadopoulos (1993) criticized the COO construct as being too narrow and even misleading, as it does not account for the different images that are attached to one product. As outlined previously, Johansson and his colleagues adopted a multi-attribute approach to account for these different images, unveiling the complexification of the COO construct and initiating further research areas. Papadopoulos (1993) conducted further research and provided a solution to this weakness by proposing the term 'Product-Country Image' (PCI), a term that has been widely accepted in the COO literature. Further, also the researchers Parameswaran, Pisharodi and Yaprak dedicated several studies to conceptualize COO as a multifaceted construct. More specifically, they decomposed COO into three facets, namely into a general country image, a general product image and a specific product image dimension (Parameswaran and Pisharodi 1994; Parameswaran and Pisharodi 2002; Yaprak and Parameswaran 1986). Further, the authors developed and empirically tested a scale that enables researchers to measure the various dimensions of COO, providing empirical evidence that COO is a multifaceted construct (Parameswaran and Pisharodi 1994). With this, the authors maintained the relevance of COO and its effects, and simultaneously counteracted the argumentation that COO is no longer relevant and obsolete (Samiee et al. 2005; Usunier 2006). Also Jaffe and Nebenzahl (2006) moved away from defining COO solely

as the 'Made in' country or the country in which a product was manufactured (e.g. Johansson et al. 1985; Nagashima 1970; Schooler 1965) by decomposing COO into different dimensions. More specifically, Jaffe and Nebenzahl (2006) divided COO into several dimensions, among other, into the image of a country where the product was designed, the image of a country an individual associates the products with, and the image of a country of production (for further readings: Jaffe and Nebenzahl 2006). Further, the authors (2006: 29) overall define Country-of-Origin as "[…] the country which a consumer associates with a certain product or brand as being its source, regardless of where the product is actually produced", and emphasize that all underlying dimensions of this construct may have its particular effect on products.

The work by Papadopoulos, by Parameswaran, Pisharodi and Yaprak, and also by Jaffe and Nebenzahl made a substantial contribution to the COO research, as they unveiled a potential weakness of COO research and simultaneously provided evidence of the multifaceted nature of COO. This is specifically of importance, as each dimension underlying this multifaceted COO construct can have an effect on a product's image (Jaffe and Nebenzahl 2006), which consequently drives the individual's decision-making process (Herz and Diamantopoulos 2013). However, researchers and academicians should be aware that the definitions of each facet may be distinct, and also the total number of facets that the COO construct comprises may vary depending on the conceptualization made by the authors. For instance, Parameswaran, Pisharodi and Yaprak identified three facets (Parameswaran and Pisharodi 1994; Parameswaran and Pisharodi 2002; Yaprak and Parameswaran 1986), whereas Jaffe and Nebenzahl (2006) proposed that the COO construct consists of many more. Further, Parameswaran and Pisharodi (1994: 55) propose to conduct additional research on the effect these facets have "[…] in shaping cognition, attitudes, and behavior related to the consumption of a particular [product]" to identify, among other, the interplay between the facets and the individual's purchase intentions.

2.1.4 Delimitation of Constructs

The following section will outline two constructs, which have gained relevance in COO research, namely consumer ethnocentrism and animosity. It seems inevitable to include and

delimitate both constructs in this literature review from each other, and also from COO to avoid a misapplication and misunderstanding of those constructs.

2.1.4.1 Consumer Ethnocentrism Construct

Several researchers found a positive bias in previous COO study results (e.g. Bilkey and Nes 1982; Nagashima 1970; Nagashima 1977; Johansson et al. 1985), which indicated that consumers tend to prefer domestically made products over foreign products. This originally in sociology and psychology rooted phenomenon (further readings: LeVine and Campbell 1972; Sumner 1906), is known as 'consumer ethnocentrism' in marketing and consumer behavior research (Shimp and Sharma 1987) and has gained special consideration in the COO literature (Klein 2002). In sociology, Sumner (1906: 13) defined the overall term ethnocentrism as "[...] the view of things in which one's own group is the center of everything, and all others are scaled and rated with reference to it".

In the context of marketing and consumer behavior research, Shimp and Sharma (1987: 280) defined consumer ethnocentrism as "the beliefs held by […] consumers about the appropriateness, indeed morality, of purchasing foreign-made products". For instance, an American consumer who has the propensity to purchase an American-made over an Italian-made car, in order to support its domestic economy, can be regarded as being ethnocentric. Further, consumers with high ethnocentric tendencies make biased judgements by depreciating foreign-made products, while simultaneously overrating positive aspects of domestic products (Shimp and Sharma 1987). Hereby, it is important to emphasize that morality and loyalty towards the home country are the superior inducements behind the purchase decision of highly ethnocentric consumers, leaving the quality perception of the product or price subordinated for the moment. But generally, highly ethnocentric consumers perceive the quality of domestic products to be higher in comparison with foreign-made products (Shimp and Sharma 1987). This finding is supported by Brodowsky (1998), who conducted a study on the effects of consumer ethnocentrism on product evaluations. Further, Brodowsky (1998) argues that low ethnocentric consumers use COO cues in their purchase decision as a source to infer the product's quality.

Various scales have been developed to measure ethnocentrism (e.g. Adorno et al. 1950; Warr et al. 1967). However, these scales have not been relevant and applicable in the context of

marketing and consumer behavior studies (Shimp and Sharma 1987). Thus, Shimp and Sharma (1987) constructed and validated a 17-item consumer ethnocentric tendency scale (CETSCALE), which made it possible to measure consumers' ethnocentric tendencies towards purchasing domestic versus foreign-made products, indicating the existence of the consumer ethnocentrism construct. The scores to reach on the scale range from 17 to 119, and a consumer who scores a high number on the CETSCALE is considered to be highly ethnocentric, conversely a low score indicates low ethnocentric tendencies.

This construct can generally be seen as home-country bias (Johansson et al. 1985) within COO effects, and its measurement via the CETSCALE is a useful tool to enhance the understanding of how and why present and prospective consumers incline to evaluate domestically made products over foreign products (Shimp and Sharma 1987). According to Shimp and Sharma (1987), the CETSCALE does not intend to measure consumers' attitudes, which usually also comprise feelings, but rather consumers' tendencies to behave in a consistent way towards the purchase of foreign products. Further, ethnocentric tendencies, either high or low, depending on the CETSCALE score, are inversely related to education, cultural openness, perception of quality, income and willingness to buy imported products (e.g. Netemeyer et al. 1991; Sharma et al. 1995; Shimp and Sharma 1987). For instance, an individual, who obtained a low educational level, might be more likely to have high ethnocentric tendencies. Whereas a well-educated individual might reach a low score on the CETSCALE, indicating low ethnocentric tendencies.

Although the CETSCALE was originally tailored to contemporary American society (Shimp and Sharma 1987), it has been widely applied and likewise validated in following COO studies that analyzed consumers' ethnocentric tendencies in various countries and towards different product categories (e.g. Balabanis and Diamantopoulos 2004; Brodowsky 1998; Durvasula et al. 1997; Netemeyer et al. 1991; Sharma et al. 1995; Watson and Wright 2000). Thus, the construction of the CETSCALE can be regarded as an important contribution to COO research, as it confirmed the existence of a home country bias and enabled researcher to measure this bias. Additionally, the ability to measure consumers' ethnocentric tendencies provides marketers with a useful tool for target marketing strategies and geographic segmentation (Shankarmahesh 2006; Shimp and Sharma 1987).

However, it is of importance to acknowledge the distinct and independent nature of Country-of-Origin and consumer ethnocentrism (Shankarmahesh 2006) to avoid a mix up of the two concepts. Although both concepts may affect the purchase behavior of consumers, they affect this behavior in distinct ways. While consumer ethnocentrism captures a consumer's general tendency for buying domestic products (Shimp and Sharma 1987), COO acts as an extrinsic informational cue, enabling a consumer to make an overall evaluation of the product (e.g. Maheswaran 1994; Roth and Romeo 1992; Verlegh and Steenkamp 1999). That a Country-of-Origin bias and home country bias are independent of each other and can co-exist (e.g. Klein 2002) is illustrated by the following example: An American consumer can possess a positive COO bias for German cars due to specific product attributes, but at the same time refuse to buy the German car to prevent the domestic economy from potential harm related to the purchase of this foreign-made product. Thus, a consumer may have ethnocentric tendencies and at the same time possess either a positive or negative COO bias of foreign-made products. However, Shankarmahesh (2006: 167) argues that consumer ethnocentrism, "[…] which is basically an affective and normative construct may in turn lead to COO evaluation which is essentially a cognitive construct" and thus, COO effects are moderated by consumer ethnocentrism (Steenkamp et al. 2003).

2.1.4.2 Animosity Construct

Another construct, which has gained considerable attention in recent COO research, is the animosity construct. Conceptualized by Klein et al. (1998: 90), animosity is defined as "[…] the remnants of antipathy related to previous or ongoing military, political or economic events – [that] will affect consumers' purchase behavior". In their initial animosity research, Klein et al. (1998) focused on examining the impact of such antipathy or dislike for a specific foreign country on the evaluation and purchase intention of products stemming from this country. To examine the animosity construct, Klein et al. (1998) have chosen China and Japan as test countries. China has suffered under a long Japanese occupation in the past, which was specially marked by the 'Nanjing Massacre', in which 300.000 Chinese civilians were slaughtered. Thus, these countries were particularly suitable for the purpose of this study, as a previous military event occurred.

The results showed, among other, that Chinese harbored animosity towards Japan, which impacted their attitudes towards buying products from this country negatively. However, a

consumer who harbors animosity towards a certain country does not necessarily denigrate the quality of the product stemming from this country (Klein et al. 1998). For instance, a Chinese who rejects to buy products from Japan might still perceive Japanese products to be of high quality. This reveals another important finding, namely, that the effects of animosity towards a specific country are independent of product judgements or beliefs about quality perceptions (Klein et al. 1998). Overall, Klein et al. (1998) showed that animosity has a direct, negative effect on the purchase behavior of consumers.

This initial animosity research by Klein et al. (1998), can be regarded as a key contribution to COO research, as it provides evidence for the complexity behind the evaluation of foreign products. Further, their work has been widely cited in more recent articles in origin research (e.g. Kaynak and Kara 2002; Klein 2002), which serves as an indication that researchers still consider the animosity construct as being relevant.

Further, Shimp and Sharma (1987) as well as Klein, Ettenson and Morris (1998) made advancements to the COO research with their empirical works. Considering the prevalence of the use of the animosity and consumer ethnocentrism constructs in COO research and their effects on purchase behavior (Klein et al. 1998; Shimp and Sharma 1987), the main differences between these two constructs will shortly be outlined to avoid a misunderstanding and an incorrect application of such.

Although animosity is considered to be an antecedent of consumer ethnocentrism (Shankarmahesh 2006), and some authors acknowledged a relationship between both constructs (Nijssen and Douglas 2004), consumer ethnocentrism and animosity should be regarded and treated as distinct constructs (Klein et al. 1998; Klein 2002). More specifically, consumer ethnocentrism takes place on a country-level and is regarded as a general effect, meaning that consumers have either low or high ethnocentric tendencies towards foreign products and product categories in general (Shimp and Sharma 1987). Thus, this construct is relevant when a consumer has to choose between domestic and foreign products and ultimately treats all foreign products alike. Whereas animosity is conceptually a country-specific construct, providing an explanation for why consumers are repulsed by products from a specific country but not from others (Klein et al. 1998). Thus, the animosity construct is of relevance when consumers have to compare and choose among imported products from various countries. Further, ethnocentrism seems to have a direct effect on product

evaluations (Shimp and Sharma 1987), which is different from animosity. For instance, a consumer who harbors animosity towards a certain country may still perceive the country's products to be of good quality and thus, does not downgrade the quality of such products.

In essence, consumer ethnocentrism and animosity are not mutually exclusive constructs. Indeed, the empirical work of Klein et al. (1998) revealed that both concepts can mutually co-exist. For instance, consumers with low ethnocentric tendencies might buy foreign-made products from certain countries, but they might not buy foreign-made products from a country towards they harbor animosity. However, it is inevitable to acknowledge consumer ethnocentrism, animosity and COO as distinct concepts that should be treated and operationalized accordingly to avoid methodological flaws.

2.1.5 Halo and Summary Construct

Prior studies on COO indicated that consumers develop different images and perceptions of countries and their products in their minds, which consequently affect their product evaluations and their purchase behavior (e.g. Bannister and Saunders 1978; Erickson, Johansson and Chao 1984; Nagashima 1970).

Many researchers, explicitly or implicitly, viewed the role COO takes in product evaluations to be of a 'halo', which is used by consumers to infer the quality of products they are not familiar or experienced with (Bilkey and Nes 1982). More specifically, consumers, who have little knowledge or information about a country's product before the actual purchase, are unable to detect the product's true quality and thus, the COO serves the function to infer the product's quality (e.g. Huber and McCann 1982). Consequently, the halo construct implies that consumers will rely less on COO information when they become more familiar with a product or product category (Han 1989; Laroche et al. 2005). However, Johansson et al.'s (1985) findings revealed that consumers tend to rely more on COO information when their familiarity with a product increases, which is consistent with findings by Johansson and Nebenzahl (1986). As these findings were contradicting to the halo construct, the theoretical work of Johansson (1989) attempted to explain the positive interaction between the use of COO and product familiarity by proposing a 'summary' construct.

In the summary construct, COO information are used by the consumer to summarize information about product attributes. The work of the cognitive psychologist George A.

Miller (1956) provides a partial explanation for this summary construct by pointing out the limited processing capacity of a human brain. According to Miller (1956), the short-term memory capacity is limited and thus, the human brain 'chunks' the information it receives to keep them easily accessible for later recall in the long-term memory. Johansson (1989: 54) suggests that "[…] people with more prior knowledge will have more relevant information on a country and will feel more comfortable about using it than others". Generally, it can be assumed that consumers 'chunk' all prior received COO information and retrieve them when they have to evaluate products. However, more knowledgeable consumers might feel more comfortable using these 'chunks' in their evaluation, which can explain the positive interaction between product familiarity and the use of COO cues (Johansson 1989).

Nonetheless, Johansson's (1989) work was solely theoretical and had not been empirically tested. First Han's (1989) study, which was in line with Johansson's (1989) work, empirically tested the function of country images and product images in consumers' evaluations of television sets and automobiles from the United States of America, Japan and South Korea. The results of this study revealed that a country image can take two differing functions in product evaluations, either as a halo construct or as a summary construct. More specifically, the level of product familiarity has an influence on which of the two functions a country image may take in product evaluations. When consumers are familiar with a country's product, the country image is used as summary construct. Hereby, prior experience with and beliefs about product attributes are summarized by the consumers, which indirectly affect their attitudes towards products from this country (structural relationship: beliefs -> country image -> attitude) (Han 1989: 223). On the contrary, consumers who are unfamiliar with a country's product may use country image as a halo construct. Hereby, consumers infer product attributes from the country image and the inferential beliefs directly affect the consumer's attitude formation towards the country's products (structural relationship: country image -> beliefs -> attitudes) (Han 1989: 223). With these results, Han (1989) provided an explanation on the function country images can take and how country images and product images may interact when consumers evaluate various products.

Another noteworthy contribution to further elucidate the interplay between product and country images was made by Roth and Romeo (1992). In their study, Roth and Romeo (1992) reason that consumers perceive some product characteristics, also called product

dimensions, as more important than others when they evaluate different product categories. Thus, when consumers evaluate a product from a certain country, their tendency to favor specific product dimensions more than others can either lead to a product-country match or mismatch. A match or mismatch is dependent on how they perceive the country in question to comply with these dimensions. Hereby, a product-country match or mismatch can both be divided into favorable and unfavorable. More specifically, if the country is evaluated positively on the dimension that is important to the product category under evaluation, then it is a favorable product-country match, but if the dimension is unimportant then a favorable mismatch occurs. For example, if Germany's image is valued positively on the dimension 'design', which may be relevant to the consumer for the product category 'cars', then a favorable product-country match occurs. Whereas, if the product category in this case would be 'beer', a favorable product-country mismatch may occur, as the 'design' dimension may not be important to this product category. Conversely, if the country is evaluated negatively on the dimension that is important to the product category under evaluation, then it is an unfavorable product-country match, whereas if the dimension is unimportant then it is an unfavorable mismatch. Roth and Romeo (1992) argue that these product-country matches or mismatches may indicate a consumer's willingness to buy foreign products and thus, their framework provides a tool to predict consumers' purchase intentions. However, Roth and Romeo (1992) measured country image solely on four dimensions, namely innovativeness, prestige, design, and workmanship. This should be considered with caution as the authors argue that a country's craftsmanship, and marketing strength and weaknesses are solely defined by these four dimensions (Roth and Romeo 1992), leaving possible other dimensions unconsidered.

Han's (1989) study has been widely acknowledged in the COO literature, as he provided empirical proof for two functions COO information may take in product evaluations. Further, Han (1989) and also Roth and Romeo (1992) departed from the notion that COO effects solely vary depending on product categories or product classes (e.g. Eroglu and Machleit 1989; Johansson et al. 1985), or the quality perception of product categories (e.g. Kaynak and Cavusgil 1983). Thus, Han (1989) initiated, to some extent, to further explore the interplay between product and country images. However, Han's (1989) study findings have been criticized by some researchers. For instance, Knight and Calantone (2000) argue that

both, product beliefs and country image simultaneously play a role in consumer attitude formation, albeit in varying degrees and regardless of the familiarity level with a product. The conceptualization of Han's (1989) study indicates that product beliefs and country image, respectively, have no direct influence on consumer attitude formation depending on the familiarity level. Thus, Knight and Calantone (2000) criticized Han (1989) for neglecting the simultaneous processing of product beliefs and country image in the attitude formation of consumer, as this is not consistent with the findings of their flexible model, which suggest that the cognitive processing of country images is more complex than previously thought. Also Laroche et al. (2005) supported the findings of Knight and Calantone (2000) that product evaluations are simultaneously affected by country image and product beliefs, irrespectively of the consumer's familiarity level with the product, and even further extended the current knowledge on the cognitive processing of COO in their study by operationalizing country image as a multi-dimensional concept.

It can be concluded that COO information can serve various functions when it comes to product evaluations, and the interaction between product and country images plays a significant role in explaining COO effects. However, not only Laroche et al. (2005), but also other researchers (e.g. Heslop et al. 2004) proposed to decompose COO and consequently, to operationalize COO as a multi-dimensional construct because distinct and various dimensions are involved in the formation of COO images.

This leads to the next paragraph, which outlines several attempts taken by researchers to explain how consumers process COO information in their attitude formation.

2.1.6 Country-of-Origin Components in Attitude Formation

Several researchers (e.g. Heslop 2004; Laroche et al. 2005; Papadopoulos et al. 2000) investigated the complex role COO cues have in attitude formation and product evaluations by conceptualizing COO as multi-dimensional rather than a one-dimensional construct (e.g. Erickson et al. 1984; Han 1989).

For instance, Papadopoulos et al. (1988; 1990; 2000) argue that consumers' perceptions of the product's COO shape the attitude they have of the COO, and they conceptualize COO as a multi-dimensional construct comprising of a cognitive, affective and conative component. Further, the cognitive component represents the consumer's beliefs about the industrial

development and technological advancement of the country, the affective component consists of the affective response of a consumer to the country's people and the conative component includes the consumer's desire to interact with the specific country (Papadopoulos et al. 1988; 1990; 2000). However, these three components do not necessarily occur and interact uniformly when consumers form an attitude about a country in their minds. More specifically, some consumer may avail the affective component to a greater extent than the conative or cognitive in their attitude formations, whereas other consumers may rely more on the cognitive component when forming attitudes towards a COO (e.g. Laroche et al. 2005). Thus, the impact of each dimension may vary depending on the consumers and the countries or products under consideration. This is in line with Zhang (1997), who argues that the process of how consumers modify COO information in product evaluations is individualized due to different factors that operate at the psychological level. Thus, "[…] the effect of COO exhibits itself, first and foremost, at the individual level", which can explain the disparity of COO effects in the evaluation of products across consumers (Zhang 1997: 266).

Based on the above, it becomes clear that COO cues are of complex nature, as individuals may involve several dimensions to varying degrees in their COO image formation. Conceptualizing COO as a multi-dimensional construct enables researchers and marketers to explain how consumer form COO images in their minds, to investigate the influence each dimension has in the country image formation and consequently, to identify how these images are used in evaluating products (e.g. Laroche et al. 2005). However, although several researchers generally agree upon conceptualizing COO as a multi-dimensional construct, there is no clear consistency regarding which dimensions to include and how to define them (e.g. Laroche et al. 2005; Roth and Diamantopoulos 2009), which hinders the further advancement of COO research.

The above literature review has outlined several key contributions made by several researchers towards the advancement of COO, for instance, by identifying the dynamic nature of COO, its function as a 'halo' or 'summary' construct in consumer evaluations and, how COO is used in attitude formation. However, there still exist major shortcomings in this much-researched area, which will be addressed in the following.

2.2 Major Shortcomings in Country-of-Origin Research

Although COO and its effects have received considerable attention by various researchers over the last decades, COO is still one of the most controversial research fields. While some researchers (e.g. Agrawal and Kamakura 1999; Liefeld 2004; Lim and Darley 1997) emphasize the weak influence COO has in consumers' decision-making process, most researchers underline the relevance of the COO construct with their conclusion that COO acts as a signal of product quality (e.g. Steenkamp 1990), thus driving consumers' product evaluations (Han and Terpstra 1988) and consequently coloring their decision-making processes (Herz and Diamantopoulos 2013).

This dichotomy can be explained by the existing wide range of COO literature, which is characterized by a lack of homogeneity in its theoretical and methodological dimensions (e.g. Bilkey and Nes 1982; Roth and Diamantopoulos 2009). As emphasized by Verlegh and Steenkamp (1999: 521), this leads to the fact that the "country-of-origin effects are still poorly understood", and also Peterson and Jolibert (1995: 894-895) conclude that "country-of-origin effects are only somewhat generalizable". This view is reiterated by Jaffe and Nebenzahl (2006) and Knight and Calantone (2000), who argue that academicians have so far not been able to provide an integrative theoretical framework capable of explaining the Country-of-Origin construct and the effects it has on behavioral intentions. Further, Usunier (2006: 60) argues that a bias in research undertakings exists because the "relevance has been sacrificed for the sake of convenience."

The lacking consensus on a formalized and theory-based framework has resulted in various and often inconsistent views on the conceptualization of the COO construct (Laroche et al. 2005; Roth and Diamantopoulos 2009). More specifically, several researchers view COO as a cognitive mental construct, consisting of associations, attributes and beliefs, which consumers link to a particular manufacturing country (e.g. Gürhan-Canli and Maheswaran 2000). While other researchers propose to include not only cognitive but also affective components in the COO construct (e.g. Häubl 1996). Further, studies also differ on the question whether COO should be viewed as a host of various beliefs (e.g. Martin and Eroglu 1993) or rather as an overall evaluative attitudinal construct (e.g. Kotler et al. 1993). To complicate things further, existing studies also only loosely define whether COO should be

conceptualized as a mental construct or rather as an effect that stems from a mental construct (Verlegh and Steenkamp 1999). As a consequence, this conceptual ambiguity within the COO literature has yielded different operationalization for the measurement of the COO construct (see Chapter 5 for further discussion of existing COO measures) and not surprisingly, the empirical work on COO has often resulted in conflicting findings (e.g. Pappu et al. 2006), limiting the advancement of the whole research area and making it harder for managers to apply it.

It should be pointed out that existing research (Josiassen et al. 2013) has addressed the conceptual ambiguity of COO by providing a framework for the macro-structure, explaining how different units of analysis relate to each other. However, researchers' understanding of the micro-structure of images, that is, how mental pictures themselves manifest in the individual's mind, is limited (Roth and Diamantopoulos 2009). This might be surprising, as psychologists outline the major importance of mental structures and attitude to understand behavioral intentions and decision-making (Ajzen 2001).

Against this background, the present paper aims to shed light on the complexity of how individuals mentally form, store and use representations of COO by conflating existing COO definitions and conceptualizations. In the proceeding chapter, a state-of-the-art model is presented with the purpose to reveal how COO information is integrated in the individuals' mental processes.

3. Conceptual Framework and Hypotheses Development

In the following chapter, three structural components underlying the COO construct are identified and conceptualized by merging existing COO literature and applying relevant psychology literature. Based on this, several hypotheses are developed on how these components interact and relate to each other, and on how these components are linked to the individual's behavioral intentions. The aim is to structure existing COO literature and to develop a formalized framework, which is presented at the end of this chapter.

The previous chapter outlined various key approaches taken by scholars to advance the COO research and indicated how distinct the various components of the COO construct are defined. Many marketing and consumer behaviour researchers (e.g. Roth and

Diamantopoulos 2009; Verlegh and Steenkamp 1999) generally agree that the COO construct is lacking a substantial definition regarding what COO comprises of, and how it should be operationalized. Although most of the COO studies conceptually distinguish between the various components underlying the COO construct, they fail to sufficiently implement this conceptualization at the operationalization stage due to a limited theoretical grounding of COO. Thus, the aim of this study is to address this gap by proposing that a certain consensus on the various underlying components of the COO construct can be reached by applying seminal psychology research.

Seminal psychology research provides conceptual orientation that enables to integrate the various perspectives that exist on the COO construct into one formalized framework. An extensively researched topic within social psychology is the attitude concept. This concept is regarded as being an useful tool to understand a variety of phenomena (Olson and Zanna 1993) not at least because researchers have been able to develop sophisticated theoretical models concerning attitudes by integrating knowledge from social cognition and other related fields. According to the social psychologists Krech and Crutchfield (1948: 152), attitude is defined as "an enduring organization of motivational, emotional, perceptual, and cognitive processes with respect to some aspect of the individual's world". Attitude theory conceptually distinguishes between rather multi-dimensional and descriptive, and one-dimensional evaluative mental content, as well as between cognitive and affective mental content. These mental contents build up to a mental network, which is structured hierarchically and allows researches a conceptualization and operationalization of the interactions between these mental contents. Further, a significant notion in attitude theory is that mental contents and behavioral intentions are inextricably linked with each other. Given the fact that academicians have so far not been able to provide an integrative theoretical framework capable of explaining the COO construct and the effects it has on behavioral intentions (Jaffe and Nebenzahl 2006; Knight and Calantone 2000), the application of attitude theory provides a valuable tool to understand and explain the link between COO and behavioral intentions. Further, and as outlined previously, attitude theory also provides guidance in structuring the various definitions and conceptualizations of the components underlying the COO construct. While some researchers include not only cognitive but also affective components in the COO construct (e.g. Häubl 1996), most

researchers neglect the affective component (e.g. d'Astous and Ahmed 1999; Martin and Eroglu 1993) when defining COO. However, several researchers (e.g. Oberecker et al. 2008; Verlegh et al. 1999) argue that COO can also trigger affective reactions in individuals and consequently, they suggest to include an affective component to be part of the COO construct. The conception that attitudes are of a hierarchical multi-component nature, comprising affective and cognitive components as well as overall attitude (e.g. Bodur et al. 2000) is anchored in many studies on attitude research. Transferring this to COO research, this study argues that COO should not only consist of cognitive components but should also comprise an affective component.

3.1 Structural Components of Country-of-Origin

Based on the above discussion, and resting upon social and cognitive psychology research, this study proposes to conceptualize COO as a three-dimensional framework, which comprises three co-existing and interacting mental components that individuals link to a COO. These three components are further labelled Country-of-Origin Image (CI), Country-of-Origin Imagery (CY) and Country-of-Origin Affect (CA), which exist as complementary but qualitatively distinct mental structures in the minds of individuals, enabling them to form preferences and guide behavioral intentions.

In the following, each of these three distinct components are defined and conceptualized consecutively. Further, several hypotheses are developed along the way, before the three components are merged into a formalized framework.

3.1.1 Country-of-Origin Image

The preceding literature review revealed that Country-of-Origin has been termed and defined in various ways by several researchers during the last decades. However, researchers frequently conceptualize the COO construct as "a simplification of a large number of associations and pieces of information" (Kotler et al. 1993: 141) and Desborde (1990: 44) emphasizes that "country-of-origin image refers to the overall impression of a country present in a consumer's mind". That COO may play a 'summary' role, meaning that individuals summarize and 'chunk' all prior received COO information in their minds and retrieve them at a certain point to make evaluations, was already proposed by Johansson (1989). Further, Han (1989) built up on this and provided an explanation on the function

that country images can take, and on how country images and product images may interact when consumers evaluate various products, namely either as a 'summary' or as a 'halo' construct. These findings already implicitly indicated that the COO construct consists of distinct components which take up different roles in the individual's mind.

Similarly, in psychology research, attitude is understood as a 'gestalt' construct that represents a summary evaluation of an object (Ajzen 2001). A partial explanation for this summary construct was provided by the cognitive psychologist George A. Miller (1956), who reasons that the human brain only has a limited processing capacity. Hence, the human brain 'chunks' the information it receives to keep them as a summary evaluation easily accessible for later recall in the long-term memory (Miller 1956).

Thus, both marketing and psychology research agree upon that individuals hold an overall evaluation of an object in their mind, and that this evaluative structure is readily accessible at any time (Ajzen 2001). Against this background, the present study defines

COO Image (CI) as an individual's overall evaluative representation of a particular COO.

According to Eagly and Chaiken (1993: 3), an evaluation can be defined as "the imputation of some degree of goodness or badness to an entity". Similarly, Fishbein and Ajzen (1975: 6) see attitudes as "a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object". Thus, a distinctive feature of attitude is its bipolar evaluative dimension that spans from 'favorable to unfavorable' or 'good to bad' (Ajzen and Fishbein 2000; Eagly and Chaiken 1993). Accordingly, this study argues that the conceptualization of CI should be a one-dimensional reflective construct. As such, CI is a latent construct that reflects how good or bad a particular country is at producing a certain product. For instance, an individual who wants to buy a new car may think that buying a car from Italy is bad or unfavorable, whereas buying a car from Germany is good or favorable. The tendency of individuals to evaluate products from specific countries, either positively or negatively, has already been demonstrated in past research (Bilkey and Nes 1982), for instance in Nagashima's (1970; 1977) studies. On that account, I propose that researchers, who want to gain an understanding of individuals' evaluative predisposition towards a particular COO, should conceptualize country representations as CI.

As mentioned earlier, attitude research provides a useful tool to understand a variety of phenomena (Olson and Zanna 1993) and thus, it can also be used to explore behavioral intentions. The theory of reasoned action (Ajzen and Fishbein 1980) and its successor, the theory of planned behavior (Ajzen 1991), are two widely recognized and applied theories within attitude research, which are used to predict behavior and intentions that stem from attitudes. Behavioral intentions are influenced by both, cognitive and affective attitudes, as well as norms according to the theory of reasoned action. However, the impact these attitudes and norms have on behavioral intentions are distinct from each other. According to the theory of planned behavior, individuals attach and hold an evaluative meaning towards an object, which determines and aligns their behavioral intentions towards that object. Similarly, in marketing and consumer behavior research, most studies agree on that COO drives consumers' product evaluations (Han and Terpstra 1988) which consequently colors their decision-making processes (Herz and Diamantopoulos 2013). Based on the above, it can be postulated that COO Image, the overall cognitive evaluative component of COO, influences individuals' behavioral intentions. Several COO studies had a particular interest in investigating the influence COO can have on willingness-to-buy (WTB) (e.g. Johansson et al. 1985; Oberecker and Diamantopoulos 2011; Roth and Romeo 1992; Wang and Lamb 1980). For instance, Johansson et al. (1985) argue that previous experience with a certain COO may impact a consumer's WTB. Further, also Roth and Romeo (1992) argue that product-country matches and mismatches, which depend on a negative or positive country image predisposition of the individual, have an influence on WTB. But also word-of-mouth (WOM) (e.g. Arnett et al. 2003; Zeithaml et al. 1996) and an individual's willingness-to-pay (WTP) (e.g. Koschate-Fischer et al. 2012; Zeithaml et al. 1996) are triggered by COO, and have therefore been of interest in several marketing and consumer behavior researches. Accordingly, this study proposes that COO Image has a positive effect on an individual's behavioral intentions. More precisely, it is hypothesized that:

H1a: *Country-of-Origin Image (CI) positively relates to willingness-to-buy*

H1b: *Country-of-Origin Image (CI) positively relates to word-of-mouth*

H1c: *Country-of-Origin Image (CI) positively relates to willingness-to-pay*

3.1.2 Country-of-Origin Imagery

Information about a COO is not only held at the aggregated level, as reflected by CI, but may also be manifested through various, potentially unrelated beliefs that individuals link with a particular Country-of-Origin. Attitude researchers widely agree on the notion that individuals hold, in addition to an overall evaluation, various descriptive cognitions about an object (Ajzen 2001; Eagly et al. 1994). Further, Eagly et al. (1994: 113) reveal how these two relate by stating that the "[…] overall evaluation of attitude objects derive from cognitions, that is, from the beliefs formed about the attitude object". The host of COO-related beliefs can be referred to as multi-dimensional knowledge structure that individuals may have acquired from different sources over time. For instance, COO-related beliefs could have been obtained indirectly through word-of-mouth or directly through a prior personal experience (e.g. Han 1989; Verlegh 2001).

In existing COO literature, these cognitive attributes are often referred to as 'mental pictures' (Jaffe and Nebenzahl 2006), 'stereotypes' (Hooley et al. 1988; Nagashima 1970), 'beliefs' (Josiassen et al. 2013) or 'perceptions' (Nebenzahl et al. 2003) that individuals link to a particular Country-of-Origin. Further, according to Han's (1989) 'halo' model, country related beliefs are shaped by prior experiences with the country's products. For instance, individuals may believe or perceive German cars to be trustworthy and safe due to previous personal experiences they have had with a German car. In this case, the individual is able to delineate the products of a COO based on these attributes. However, it is important to note that an evaluation of these attributes is not apparent when individuals reveal their beliefs or perception. More specifically, it is neither possible to tell, whether trustworthy or safety are positive or negative, nor do these terms reveal the individual's tendency of like or dislike. Therefore, this study proposes a Country-of-Origin imagery component which can be seen as the host of descriptive attributes. Against this background, the present study defines

COO Imagery (CY) as an individual's diverse associations linked with a particular COO.

Further, this study argues that the conceptualization of CY should be a multi-dimensional formative construct. As such, CY is conceptualized as a composite of all the diverse associations an individual links with a COO. This is in line with previous research approaches taken, for instance, by Parameswaran and Pisharodi (1994), or Jaffe and Nebenzahl (2006),

who conceptualized COO as a multifaceted construct in order to account for all the various, distinct images that are attached to a product or country. For instance, an individual may hold many independent associations, such as 'Volkswagen', 'family cars', and 'efficiency' towards Germany as a car manufacturer. All these associations build the individual's CY and are not interchangeable and correlated. Consequently, under a formative measurement, all these associations, also called indicators, define the construct and "[…] omitting an indicator is omitting a part of the construct" (Bollen and Lennox 1991: 308).

Further, it is assumed that individuals link CY and CI together in a mental evaluative process. This predisposition is conceptually anchored in the expectancy-value model (EVM) of attitude (Ajzen and Fishbein 1980; Fishbein and Ajzen 1975). According to the EMV, an evaluation is the result of a function of the cognitive beliefs about the object and the evaluative responses associated with these beliefs. Thus, cognitive beliefs and evaluations should be treated as distinct constructs, and relate to the extent that evaluations result from cognitive beliefs. Within COO research, several researchers conceptualize COO as multi-dimensional, comprising of distinct cognitive constructs (e.g. Laroche et al. 2005; Martin and Eroglu 1993). Although the idea already exists in existing COO research that the various, distinct constructs relate to each other, the link between these constructs is not sufficiently theory-based. In this study, the CY construct represents the diverse descriptive associations, whereas the CI constructs represents the overall evaluative representation of a particular COO. And since cognitive beliefs result in evaluations, according to the EMV, this present study conceptualizes that CY drives CI. Based on this, it is hypothesized that:

H2: *Country-of-origin Imagery (CY) positively relates to Country-of-Origin Image (CI)*

3.1.3 Country-of-Origin Affect

In psychology research, many researchers take the notion that cognitions play the predominant role in attitude formation (e.g. Fishbein 1963; Insko and Cialdini 1969), and others even perceive cognitions as being the central element in attitude structure (Fiske and Taylor 2013). However, psychologists also substantially agree on that individuals not only think about an object, but also feel about it in a certain way, and that affect is essential in attitude formation and influences judgement as well as decision making (e.g. Bower 1981; Eagly and Chaiken 1993; Holbrook and Batra 1987; Schwarz and Clore 1983). Thus, it is also

commonly accepted that both, cognitive and affective attitude components are necessary to understand attitudes (Eagly et al. 1994; Fishbein and Ajzen 2011; Fishbein and Middlestadt 1995).

Similarly, in COO research, many researchers view COO as a cognitive mental construct (Roth and Diamantopoulos 2009), whereas others also emphasize the affective nature of COO (e.g. Häubl 1996; Heslop et al. 2004; Verlegh and Steenkamp 1999). For instance, Verlegh and Steenkamp (1999) argue that in a consumer's mind, not only a cognitive processing of information is evoked by products, but also feeling and emotional responses are triggered. Accordingly, the mental construct of COO may not only comprise beliefs and evaluations about a particular country, but individuals may also link a Country-of-Origin to their own affective experience, resulting in a like or dislike of the country. The preposition that COO is a multi-dimensional construct, meaning that it can be decomposed into multiple dimensions, was already suggested by Laroche et al. (2005) and several other researchers (e.g. Heslop et al. 2004; Papadopoulos et al. 1990; 2000). More specifically, Laroche et al. (2005) assigned an affective component to the COO construct, and their study showed that a strong affective component can have a stronger influence on product evaluations than a cognitive component. While the notion is prevalent in the COO literature that COO comprises an affective component, existing research on the affective nature of COO is often a-theoretical and lacks conceptual grounding (e.g. Roth and Diamantopoulos 2009). As a consequence, affective measures for COO are often insufficiently theory-based.

Addressing this shortcoming, the construct of COO affect can be based on the feelings-as-information theory (Schwarz 1990). This theory argues that individuals often subconsciously translate the complex thoughts they hold about objects into simple affective experiences, i.e., good and bad feelings. Also Peters et al. (2008: 80) elucidate that "[…] by translating more complex thoughts into simpler affective evaluations, decision makers can compare and integrate good and bad feelings rather than attempt to make sense out of a multitude of conflicting logical reasons". Thus, individuals use these experienced feelings, which are referred to as 'integral affect', they feel towards an object to infer the direction of their predispositions towards this object (Lerner and Keltner 2000).

Likewise, this study argues that individuals also hold an overall affective response to a Country-of-Origin that is stored as a qualitatively distinct mental construct. This affective mental representation is labelled and defined as

COO Affect (CA): an individual's overall affect attributed to a particular COO.

As pointed out earlier, within psychology research, it is commonly accepted that both, cognitive and affective attitude components are necessary to understand attitudes (Eagly et al. 1994; Fishbein and Ajzen 2011; Fishbein and Middlestadt 1995). This predisposition is based on the tripartite of attitudes (Eagly and Chaiken 1993), which states that the affective, cognitive and behavioral components are correlates of attitudes. This is in line with Zanna and Rempel (1988), who argue that affective, cognitive and behavioral information form and develop attitudes. Thus, this study proposes that the affective component CA is complementary to the cognitive components, CI and CY.

Further, and as mentioned earlier, the EVM of attitude assumes that an evaluation is the result of a function of the cognitive beliefs about the object and the evaluative responses associated with these beliefs (Ajzen and Fishbein 1980; Fishbein and Ajzen 1975). However, several researchers have challenged the EVM by proposing that affective processes may also control evaluations. The position that affect as well as cognitions influence evaluations, and cognitions drive subsequent affect, is anchored in the multi-component view of attitude (e.g. Eagly and Chaiken 1993). Further, according to the affective primacy hypothesis (Zajonc 1984), affect may even take precedence over cognitions in evaluations. Consistent with this finding, Lavine et al. (1998) argue that affect even predominates when individuals hold opposing feelings and beliefs towards a certain object (Lavine et al. 1998). Thus, it is not surprising that although behavioral intentions are influenced by both cognitive and affective attitudes (Ajzen and Fishbein 1980), affect is commonly treated as the primary driver of behavioral intentions (Zajonc and Markus 1982). Based on the above discussion, the present study hypothesizes the following:

H3: *Country-of-Origin Imagery (CY) positively relates to Country-of-Origin Affect (CA)*

H4: *Country-of-Origin Affect (CA) positively relates to Country-of-Origin Image (CI)*

Further, it is assumed that Country-of-Origin Affect has a positive effect on behavioral intentions. It is therefore hypothesized that:

H5a: *Country-of-Origin Affect (CA) positively relates to willingness-to-buy*

H5b: *Country-of-Origin Affect (CA) positively relates to word-of-mouth*

H5c: *Country-of-Origin Affect (CA) positively relates to willingness-to-pay*

The previous section defined, conceptualized and delineated the components of the COO construct into COO Image (CI), COO Imagery (CY) and COO Affect (CA) by conflating existing COO research and applying psychology literature. In the following chapter, a model is presented that integrates these three components into a theoretically sound framework.

3.2 Conceptual Framework

This study set the focus on identifying how individuals form mental representation of a country in their minds, and consequently, how these representations affect their behavioral intentions. A first step towards answering the research question has been taken in the previous section, in which three different components of COO have been defined and conceptualized. Based on this, this study proposes that the myriad of conceptual views on the COO construct can be theoretically integrated into a formalized model, that is further called Country-Origin Model (COM) (Figure 1), which consists of

1) a COO Image: an overall evaluative cognitive component,

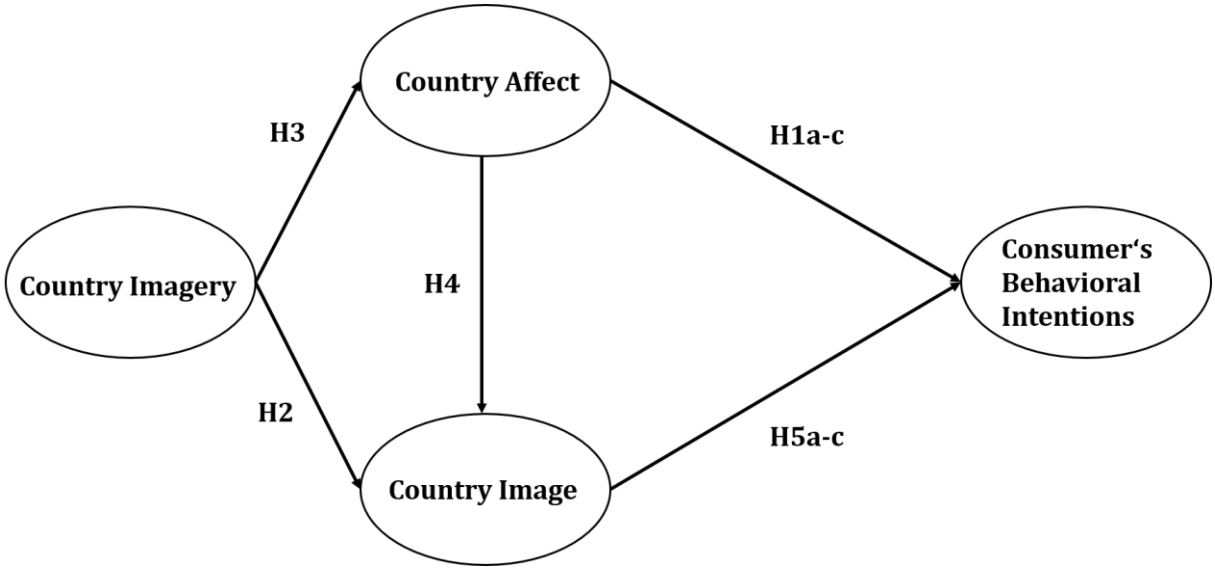
2) a COO Imagery: a multi-dimensional cognitive component and

3) a COO Affect: an affective component.

The essence of the COM is that each of these three components exist as complementary but qualitatively distinct mental structures in the mind of individuals, enabling them to form preferences and guide behavioral intentions. Thus, instead of viewing the different conceptualizations on COO as conflicting, this study wants to show that they are indeed complementary and can be understood by applying seminal psychology literature. Further,

the COM provides conceptual structure to the interactions between the three components, as well as it enhances our understanding of how mental representations form behavioral intentions (Ajzen 2001; Eagly et al. 1994).

Figure 1: Illustration of the formalized COM

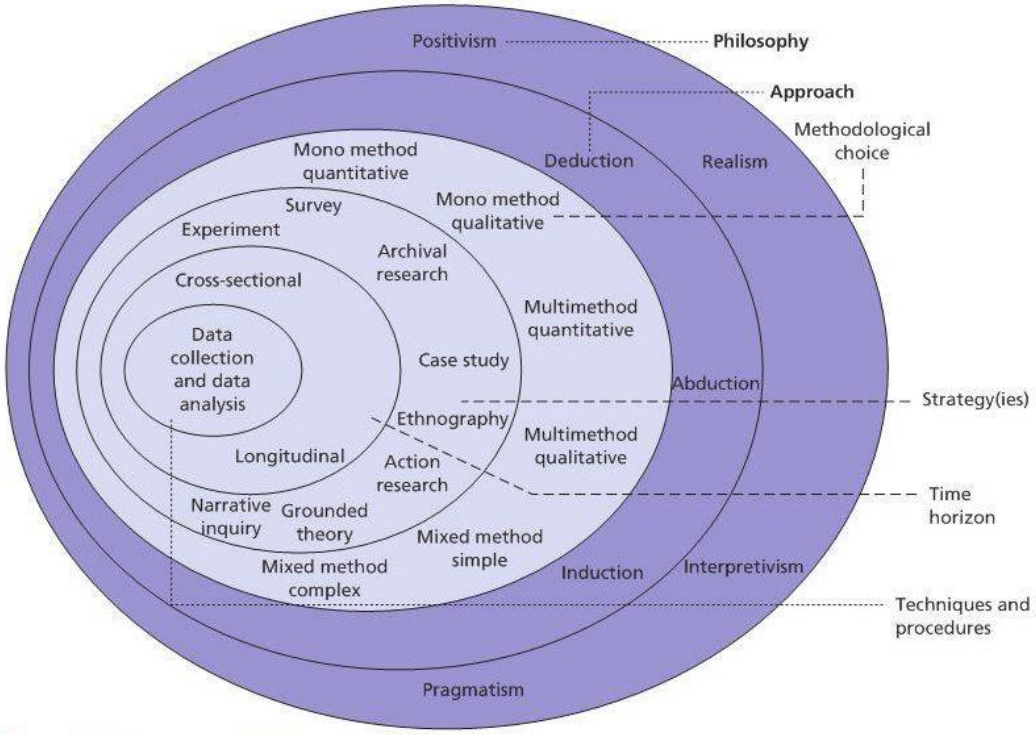


4. Philosophy of the Present Study

In the previous chapter, a theoretically formalized framework was presented that comprises three complementary but qualitatively distinct components, namely Country-of-Origin Image (CI), Country-of-Origin Imagery (CY) and Country-of-Origin Affect (CA) that enable individuals to form preferences and guide behavioral intentions. The purpose of this chapter is to describe the creation of knowledge within this study by which the research question is answered. The structure of this chapter is guided by Saunders et al.'s (2012) research 'onion' (see Figure 2) which consists of several distinct layers. The following layers of the research onion are discussed in this chapter: research philosophy, approach, strategy, choices, and time horizon. It is of importance to outline and explain the choices made in each of these

layers as they lead and justify the choice of data collection techniques and analysis procedures of this study, which is designated as being the core of the research onion (Sanders et al. 2012).

Figure 2: Research 'onion' by Saunders et al. 2012



4.1. Research Philosophy

Every researcher has underlying philosophical assumptions which "delineate a way of seeing the researching world" (Chua 1986: 604) and based on this, different methodological choices are taken during a research process. For the reader it may be easier to understand the logic behind these choices, if the research philosophy held by the researcher is explained. According to Saunders et al.'s (2012) outer layer of the research onion, four research philosophies are prevalent in business and management research: Pragmatism, positivism, realism and interpretivism. Generally, a research philosophy is concerned with epistemology: "what kinds of knowledge are possible" and ontology: "the nature of social reality" (Blaikie 2010: 92) as both have an influence on the research process (Saunders et al.

2012). The choice of a research philosophy is dependent on the research question that one seeks an answer for. However, in reality some research questions can only be answered within more than one philosophical domain (Saunders et al. 2012). The researcher of this study adopted a research philosophy that falls under more than one of these philosophical domains in order to adequately answer the research question.

In this study, distinct components of the COM have been identified and conceptualized as being either reflective or formative in order to understand how individuals form mental representations of a COO in their minds and how these affect their behavioral intention. Generally, ontological assumptions are concerned with how we view the world and this study embraced two distinct ontologies, namely 'realist' and 'idealist' (Blaikie 2010), as both are in alliance with the conceptualization of reflective and formative measurement models. According to the realist, or more precisely the critical realist ontology, phenomena in reality are independent of the observer and thus, only the phenomena that can be observed and imperfectly assessed by measures are relevant (Blaikie 2010). The conceptualization and measures of the reflective constructs CI and CA of the COM are consistent with this ontology. Contrary to this is the idealist ontological assumption, which contains the idea that "reality consists of representations that are the creation of the human mind" (Blaikie 2010: 93) and thus, reality is constructed by the observer. Further, the main notion of the idealist ontology is that researchers can only understand reality by understanding those observing it (Blaikie 2010). Consequently, no meaning exists before attempts are taken to describe what a certain phenomenon represents. This ontology has been followed in the conceptualization and measurement of the formative construct CY. More precisely, the construct CY can first exist and be conceptually meaningful when all indicators, each capturing a distinct facet related to the construct, have been chosen to represent it (e.g. Diamantopoulos and Siguaw 2006).

While ontology is concerned with how we view the world, epistemology addresses the notion and boundaries of knowledge and can be defined as "[…] the nature of the relationship between the knower and the would-be knower and what can be known" (Cuba and Lincoln 1994: 108). The present study has adopted an epistemology that is in alliance with the research philosophy of pragmatism as outlined by Saunders et al. (2012). The epistemology underlying the pragmatism philosophy argues that "[…] both observable phenomena and subjective meanings can provide acceptable knowledge" (Saunders et al. 2012: 140) and

further, different perspectives may be integrated to help interpret the data. Thus, the world can be interpreted in many different ways because "[…] no single point of view can ever give the entire picture" (Saunders et al. 2012: 130).

4.2 Research Approach

The ontological and epistemological assumptions adopted by the author of this study are building the foundation of the research strategy, which provides the researcher with a starting point to answer the research question (Blaikie 2010). There are different ways of answering a research question and accordingly, a researcher can choose from four widely recognized approaches: inductive, deductive, retroductive and abductive. To choose a research strategy or a combination of them constitutes an important decision, as each research strategy enables to pursue various purposes. While the inductive and abductive approach are mainly restricted to the purpose of exploration and description, the main purpose of the deductive and retroductive approach is explanation (Blaikie 2010). However, the most commonly applied research strategies are inductive and deductive, which differ by their reasoning. The objective of the inductive approach is to make limited generalizations from an observed or measured phenomenon, whereas the deductive approach aims at proposing and testing a theory to identify whether the theory provides an adequate explanation for a phenomenon (Blaikie 2010).

The research strategy taken by this study is of an overall deductive nature. The purpose of the deductive approach is to find an explanation for a certain phenomenon and it enables to move forward step-by-step in the research process, starting with the construction of a theory and then deducing hypotheses from it. Further, the constructed theory may derive from various sources or even a combination of them (Blaikie 2010). As pointed out earlier, most of the existing COO studies conceptually distinguish between the various components underlying the COO construct, but fail to sufficiently implement this conceptualization at the operationalization stage due to a limited theoretical grounding of COO. The aim of this study is to address this gap by proposing that a certain consensus on the various underlying components of the COO construct can be reached by applying seminal psychology research. Thus, existing knowledge of two research fields, namely marketing and psychology, have been merged and served as sources to construct a theory that identifies the components of

COO and explains how individuals form mental representations of COO in their minds. Following this, several hypotheses have been identified. The next step, according to the deductive approach, is to "[…] collect data on the concept in the theory and do appropriate analyses on the relationship between the concepts" (Blaikie 2010: 86). And indeed, data has been collected with two distinct purposes. Firstly, qualitative data was gathered to identify the most common associations individuals have with Germany as a car manufacturer. And secondly, quantitative data was collected to find support on the developed hypotheses on how the various constructs relate and interact with each other, and affect behavioral intentions. However, it could be argued that also an inductive approach has been applied at the data collection stage of this study, because semi-structured interviews were conducted to draw limited generalizations about individuals' associations towards Germany as a car manufacturer. Finally, according to Blaikie (2010), if the data matches with the theory and the logic flows, the deductive approach is accepted. Based on the above, and the fact that the reasoning in this study flows from general to specific, it seems justified that an overall deductive approach was chosen over the other approaches. Not at least because this approach is following a safer logic than the inductive reasoning in generating new knowledge (Blaikie 2010).

4.3 Methodological Choices

Researchers have to make a methodological choice when designing their research. More specifically, they have to choose if they want to apply a pure quantitative or qualitative method or rather mixed methods.

This study applied a mixed methods design that combined both, quantitative and qualitative data collection techniques. First, semi-structured interviews were conducted to collect qualitative data on the various distinct associations individuals have with a specific Country-of-Origin. After that, a quantitative method followed in form of a paper-based questionnaires, which was also designed according to the data collected from the interview. This specific form of mixed methods, in which the qualitative method is followed by a quantitative method, is defined as sequential exploratory research design (Saunders et al. 2012) and could bring a long a number of advantages for this research project. For instance, "[…] one method may lead to the discovery of new insights which inform and are followed

up through the use of the other method" (Saunders et al. 2012: 173). Considering this, the results derived from the qualitative method enabled to inform and enhance the design of the quantitative method, which consequently produced more knowledge of the CY construct in regards to Germany as a car manufacturer. Further, mixed methods were chosen as it can lead to a high degree of reliability and validity of the primary data that has been gathered in this study, if both methods have been designed and conducted correctly.

4.4. Research Strategies

The research strategy can be regarded as an overall plan on how to answer the research question (Saunders et al. 2012). Eight primary research strategies have been outlined and discussed by Saunders et al. (2012), ranging from experiment and survey to grounded theory and narrative inquiry (see Figure 2 for entire range of strategies).

This study applied a survey strategy, which is a commonly applied research strategy within COO research (e.g. Ahmed and d'Astous 1993; Bannister and Saunders 1978; Cattin et al. 1982; Erickson et al. 1984; Han 1989; Han and Terpstra 1988; Hooley et al. 1988; Johansson et al. 1985; Laroche et al. 2005; Nagashima 1970; Nagashima 1977; Roth and Romeo 1992; Wang and Lamb 1983), and is usually linked to the deductive research approach (Saunders et al. 2012). Within a survey strategy, questionnaires are a popular data collection method as they enable to collect standardized data from a sizeable population at a low cost (Saunders et al. 2012). However, although this strategy is principally linked to a quantitative research design, the data collection technique within this strategy is not exclusive to questionnaires but also encompasses structured observations and interviews (Saunders et al. 2012). Further, it may be better to combine a questionnaire with other methods, as it enables researchers with a better control over the research process. Considering this, the survey strategy of this study combined both, the quantitative and qualitative data collection method. More precisely, structured interviews and paper-based questionnaires were chosen as a data collection method as this combination suits the purpose of this study and is also in line with the research philosophy of this study. The semi-structured interviews enabled to identify the most relevant and frequently mentioned associations respondents had with Germany as a car manufacturer, which were then incorporated into the questionnaire. Within COO research, several researchers may circumvent the qualitative data method for specific

reasons, such as time or cost constraints, and thus, solely gather quantitative data, for instance, by distributing questionnaires. These questionnaires may then contain self-reported variables, which do not necessarily reflect the attitudes of individuals towards a certain COO, but rather the researcher's worldview. To elude this methodological flaw, a survey strategy that included both, a quantitative and qualitative data collection method, seemed to be the most suitable for the present study, as it allowed to collect relevant data that reflected the individuals' attitudes towards the chosen COO and to understand how individuals mentally form, store and use representations of COO in their minds.

4.5 Time Horizon

The time horizon refers to the time length a researcher spends on studying a specific phenomenon and can generally be divided into longitudinal and cross-sectional (Saunders et al. 2012). In longitudinal studies, researchers observe one or more specific phenomena over a given period. The purpose is to gather data that provides powerful insights into the development and change of such phenomena. Contrary to this are cross-sectional studies, that are suited to study one or more specific phenomena, which take place at a specific time. Considering the time constraint, cross-sectional studies are mostly applied in academic courses (Saunders et al. 2012).

The time horizon of this study is of cross-sectional nature, as the data collection took place in a short period of time. Further, it was of main interest to study a particular phenomenon, namely how individuals form mental representations of a Country-of-Origin in their minds. Considering that COO images can change over time because they are of dynamic rather than static nature (Nagashima 1970), it would also be interesting to gain insights into the development and change of the mental representations individuals have of Germany as a car manufacturer over a given period. However, the purpose and the time constraint related to this academic work resulted in a cross-sectional study.

After having presented the research philosophy of this present study, the operationalization of COO in existing studies are outlined and discussed in the following chapter. The purpose is to identify several weaknesses of distinct existing measures, which will partially justify the development of the measures for the three components of the COM. Further, relevant

approaches from marketing and consumer behavior as well as psychology research are taken into account in the development of the measures.

5. Operationalization of COO in existing Studies and newly developed Measures

The COO literature is characterized by a lack of homogeneity in its theoretical and methodological dimensions (e.g. Bilkey and Nes 1982; Roth and Diamantopoulos 2009), which consequently has yielded different operationalization of the COO construct. Although a wide range of measures, which differ in their complexity and variety of scale items, has been developed and applied to measure COO (e.g. Parameswaran and Pisharodi 1994), consistent and reliable measures have not been evolved (e.g. Roth and Diamantopoulos 2009; Martin and Eroglu 1993) that appropriately capture COO and its underlying components. Thus, it is not surprising that the measurement of the COO construct remains to be a challenge for researchers (Han 1989).

In order to overcome this shortcoming, suitable measures for the three components of the COM, Country-of-Origin Image (CI), Country-of-Origin Imagery (CY) and Country-of-Origin Affect (CA) are developed in the following by taking account of the flaws of distinct existing COO measures and the various approaches taken by marketing and psychology researchers.

5.1 Country-of-Origin Imagery

It is not an uncommon practice within COO research that existing measures are being taken on by researchers without making proper modifications (e.g. Knight and Calantone 2000). For instance, Roth and Diamantopoulos (2009), who reviewed 30 COO scales, found that only 18 were really different from each other. However, to adopt or only slightly adapt measures from existing COO studies can hinder the advancement of the COO construct, specifically when researchers fail to test their measures for quality criteria, such as validity and reliability (Jaffe and Nebenzahl 2006). Thus, a crucial step to overcome this shortage is to develop measures that are in line with the definition and conceptualization of COO, and to test the quality of these measures. More specifically, it is of importance to determine and distinguish between what is being measured and what is not, in order to elaborate a valid and reliable scale.

In this study, CY is defined as an individual's diverse associations linked with a particular COO. In most COO studies, the CY construct is often referred to as 'mental pictures' (Jaffe and Nebenzahl 2006), 'beliefs' (Josiassen et al. 2013) or 'perceptions' (Nebenzahl et al. 2003). Inherently, CY differs from individual to individual, and a consensus on how to capture these various associations, attributes, mental pictures, beliefs or perceptions individuals hold towards a certain country has not been reached yet. Generally, there exist two distinct methods, namely structured or unstructured, on how to develop and reach a set of scale items for the measurement of CY. For instance, Johansson et al. (1985) applied an unstructured method by conducting two pilot studies designed to elicit the attributes that most frequently come to the participants' minds. Following this, those attributes had been screened by Johansson et al. based on their perceived relevance, resulting into 13 distinct scale items to measure CY. Also Hooley et al. (1988) applied an unstructured approach by holding a group discussion, to generate the CY scale items for their study. An approach that combined both, structured and unstructured methods, was taken by Martin and Eroglu (1993), who first conducted a short questionnaire to generate a pool of various phrases and adjectives of a certain country. After that, a focus group session took place to identify the participants' diverse beliefs and impressions of various countries, before the outcome of both methods was combined and organized based on their usage frequency (Martin and Eroglu 1993). Further, expert judges were involved to rate and suggest better wording of the previously selected items. And yet other researchers conducted an extensive literature search and thus, drew on existing research studies (e.g. Häubl 1996; Heslop et al. 2004; Parameswaran and Pisharodi 1994; Roth and Romeo 1992) to determine their item scales. Hereby, some researchers (e.g. Han and Terpstra 1988) applied an unstructured method in form of a factor analysis on measures of existing studies to identify specific scale items for their studies. While others (e.g. Parameswaran and Yaprak 1987) applied a structured method in form of a questionnaire, in which the respondents had to indicate their agreement with listed attributes. However, the structured approach, according to which individuals agree or disagree to determined CY attributes, has two shortcomings. Firstly, attributes might be included that are not representative or irrelevant for the COO under consideration. And secondly, this approach disregards other relevant and important attributes relevant to the particular country. Evidence suggests that CY is specific and vary across countries and product categories (e.g. Roth and Romeo 1992), because the process of how individuals

modify COO information is individualized due to different factors that operate at the psychological level (Zhang 1997). Consequently, these various and distinct attributes and associations individuals hold towards particular COO should be taken into account when measuring CY. For instance, an attribute such as 'economically developed' (Martin and Eroglu 1993) might be part of an individual's CY for one country but not necessarily for another country. Based on this, this study proposes to apply unstructured qualitative methods to establish a CY item pool, as this method enables to elicit the various and distinct attributes individuals hold towards a certain COO. Furthermore, it is recommended that CY item pools should not be applied cross-nationally, but rather be gathered separately according to the COO under investigation, because each country may trigger distinctive attributes.

There is another aspect that should to be considered when measuring CY. Most COO studies hold the notion that the attributes and associations individuals hold towards a country should be measured along multiple dimensions (e.g. Jaffe and Nebenzahl 2006; Han 1989), which is in line with the conceptualization of CY in this study. Consequently, the CY construct and its indicators can either be measured reflectively or formatively, whereas neither one is inherently right or wrong (Bagozzi 2011). The choice to measure a construct with reflective or formative measures underlies different ontologies (Bagozzi 2011) and is primarily dependent on the causality between the construct and its involved indicators (Bollen 1989). By measuring CY as a reflective construct, the direction of causality flows from the latent construct itself to its indicators and these indicators are expected to correlate (Jarvis et al. 2003). Hereby, it is important to note that the interpretation and meaning of a reflective construct is not altered when one indicator is being withdrawn, as all indicators are interchangeable and assumed to be equally valid. Whereas in a formative model, the causality flows in the other direction, namely from the indicators to the construct, whereby "it is not necessary for indicators to covary with each other" (Jarvis et al. 2003: 203). The reason behind this is that all indicators capture a distinct facet related to the construct and consequently determine the construct's conceptual meaning (Diamantopoulos and Siguaw 2006). Subsequently, in contrast to the reflective construct, the meaning of a formative construct is being altered when one indicator is being removed (Jarvis et al. 2003). However, a guidance on how to specify formative construct, especially in structural equation modelling

(SEM), has not been fully developed yet, which leads Jarvis et al. (2003: 213) to conclude that "researchers are simply unaware of the conceptual distinctions between formative and reflective measurement models". This might provide an explanation for why several COO studies do not specifically state whether CY has been measured as a reflective or formative measurement model (e.g. Laroche et al. 2005; Martin and Eroglu 1992). However, regardless of whether a construct is measured reflectively or formatively, it is of importance to provide a strong conceptualization of the construct and its measures (Bagozzi 2011), not at least because a misspecification of a construct can have a severe impact on the results and conclusions drawn from the analysis of the construct (Jarvis et al. 2003). This is supported by Podsakoff et al. (2003), who argue that constructs that are formative in nature should not be measured reflectively. Considering the above, it seems reasonable to measure CY as a multi-dimensional formative construct, because CY is a composite of all the diverse associations an individual has towards a COO that give meaning to the construct and are consequently not interchangeable. Further, formative indicators of the CY construct "are observed variables that are assumed to cause a latent variable" (Bollen 1989: 65), which is in line with the COM's conceptualization, namely that CY drives CA and CI.

Another point to raise in the measurement of CY is, that several existing COO studies operationalize the CY construct in a way that not only the individuals' associations towards a certain country are being measured, but also the evaluation of such associations is being captured. For instance, Knight and Calantone (2000) include items such as 'good workmanship' and 'technologically advanced' to measure CY. While 'technologically advanced' constitutes a descriptive attribute that is part of the cognitive CY construct, 'good workmanship' includes an evaluative meaning represented by 'good' and thus, can be regarded as an evaluative attribute. Although the mental construct of COO may comprise beliefs (CY) and evaluations (CI) about a particular country, both CY and CI should be treated as distinct mental phenomena. Consequently, this study argues to solely include descriptive rather than evaluative indicators to measure CY.

Another shortcoming of existing studies in the measurement of CY is the common approach of applying rating scales rather than mental representation scales. Generally, rating scales are applied to measure judgements and evaluative meaning of specific attributes (Verlegh and Steenkamp 1999). For instance, a Likert-scale ranging from 'extremely unfavorable' to

'extremely favorable' allows to derive evaluations from descriptive attributes. However, this approach "fosters a cognitive trade-off of cues" (Verlegh and Steenkamp 1999: 539). More specifically, a descriptive attribute, such as 'workmanship', that has been rated extremely unfavorable by an individual does not indicate weather 'workmanship' of the COO is unfavorable or if the attribute in general is negative for the individual.

To overcome the above shortcomings, this study takes the predisposition that individuals link CY and CI together in a mental evaluative process, which is conceptually anchored in the expectancy-value model (EVM) of attitude (Ajzen and Fishbein 1980; Fishbein and Ajzen 1975). According to the EMV, an evaluation is the result of a function of the cognitive beliefs about the object and the evaluative responses associated with these beliefs. Based on this, this study proposes to measure CY in a two-dimensional evaluative space along 'association strength' and 'association valence'. More specifically, the first dimension 'association strength' captures the subjective probability to which an individual links the COO under investigation to the provided association. A high probability indicates that the country's association is more accessible and stronger in the individual's mind, and vice versa. The necessity to measure the association strength is anchored in the notion that beliefs and associations are chronologically accessible in an individual's mind, but some beliefs can temporarily be more easily accessible than others (Ajzen 2001). The second dimension 'association valence' captures the subjective degree of positivity and negativity (Ajzen and Fishbein 2000) that individuals attach to the country's association. Thus, the degree of positivity and negativity towards an association may shift in either way depending on the individual.

Based on the previously outlined shortcomings of CY measures in existing studies, this study draws on the EVM to overcome these shortcomings and proposes to measure CY in the following way (Fishbein and Ajzen 1975):

$$CY = \sum \text{Strength}_i \times \text{Valence}_i$$

5.2 Country-of-Origin Image

The operational approach taken in this study to measure CI as a one-dimensional bi-polar, reflective construct, is broadly supported by existing COO studies (e.g. Heslop et al. 2004; Martin and Eroglu 1993) and in line with findings of psychology research (e.g. Ajzen and Fishbein 2000; Eagly and Chaiken 1993).

Nevertheless, the examination of existing COO measures revealed two major shortcomings that researchers need to overcome in order to develop a reliable and valid CI measure. In this study, CI is defined as an individual's overall evaluative representation of a specific COO. As an overall evaluative representation can neither be observed directly nor measured directly, CI constitutes a latent construct. Thus, it is crucial to develop a measure that is capable of reflecting and measuring the cognitive CI that individuals hold in their minds in an adequate way to ensure reliability and validity. However, researchers have taken opposing approaches to measure CI. While some studies include a one-item scale to measure CI (e.g. Roth and Romeo 1992), others include multi-item scales (e.g. Häubl 1996; Verlegh 2001) to measure overall evaluative representations. Diamantopoulos et al. (2012) evaluated the use of single-item and multi-item scales in marketing research and provided evidence that the latter clearly outperforms the former with regards to predictive validity. This is supported by Bagozzi (1982: 15) who states that the application of one-item measures "rejects the possibility that multiple measurements may be taken for a theoretical concept." Based on this, this study suggests to include multi-item scales instead of single-item scales to capture the CI construct.

The second shortcoming, which has been identified in existing studies, related to the measurement of CI is the use of both, cognitive as well as affective scale items. For instance, Verlegh (2001: 91) included among others a cognitive scale item represented by 'positive/negative' and an affective scale item represented by 'appealing/unappealing' to measure the overall attitude towards products from a certain country. However, in existing literature (e.g. Fishbein and Ajzen 2011; Fishbein and Middlestadt 1995) it is emphasized that affective and cognitive evaluations have to be treated separately due to their distinct effect on behavioral intentions (e.g. Ajzen and Fishbein 1980; Zajonc and Markus 1982).

Considering this, CI, which is an overall evaluative cognitive construct, should only be measured with items that are of cognitive not affective nature.

Based on the above, this study proposes to measure an individual's overall evaluative representation of a particular country (CI) with the following multi-item scale, anchored in a seven-point Likert-scale:

All things considered, I think that buying a [country] [product] is:

1. *Bad/Good*
2. *Negative/Positive*
3. *Unfavorable/Favorable*
4. *Not worthwhile/Worthwhile*

5.3 Country-of-Origin Affect

Although the notion that COO consists of cognitive as well as affective components is prevalent in COO literature, many COO measures solely focus on the cognitive dimension of this construct (Roth and Diamantopoulos 2009). An explanation might be that "the design of the typical country-of-origin study is more suited to study cognitive rather than affective processes" (Verlegh and Steenkamp 1999: 533). Further, existing research on the affective nature of COO is often a-theoretical and lacks conceptual grounding (e.g. Roth and Diamantopoulos 2009), leaving affective measures for COO often insufficiently theory-based. Thus, it may not be surprising that some studies fail to incorporate the multi-dimensional conceptualization of COO with its distinctive cognitive and affective components in the operationalization stage (Roth and Diamantopoulos 2009)

For instance, Laroche et al. (2005) conceptualized COO as a three dimensional construct, consisting of a cognitive, affective and conative component. Their applied scale items to measure the various components of the model were adapted from previous research studies (Lie et al. 1997; Nagashima 1977; Papadopoulos et al. 1988; 2000), using a nine-item seven-point bipolar adjective scale and seven-point bipolar scales. However, the reliability and validity of some of their scale items were relatively low (Laroche et al. 2005), which may be an indication of an inappropriate use of measures. An explanation for this can be found in

examining the scale-items. The affective component, labelled as people affect, is represented by the following items: 'trustworthy - not trustworthy', 'hardworking - not hardworking', and 'likeable - not likeable'. Yet, some of these scale items are of cognitive nature and on that account not suitable to measure the affective component of the COO construct. For instance, 'hardworking - not hardworking' and 'trustworthy - not trustworthy' do not represent and measure the individual's affect, he or she experiences towards the COO, but rather constitute beliefs or perceptions and should be included in the cognitive component CY. Individuals might hold the cognitive belief that people from a certain country are hardworking (CY), but it does not indicate whether or not they like or dislike (CA) the attribute hardworking. Thus, Laroche et al.'s (2005) attempt to measure the affective component of the COO construct is an example that demonstrates how some researchers struggle to operationalize this component in their studies. Further, and as previously mentioned, it is not an uncommon practice within COO research that existing scales are being taken on by researchers without making proper modifications (e.g. Knight and Calantone 2000). Considering that the affective component of COO lacks conceptual grounding (e.g. Roth and Diamantopoulos 2009), the practice of copying or slightly modifying scale items can be seen as a major issue in COO research. For instance, researchers might fully or partially adopt scale items from Laroche et al. (2005) in their studies to measure affect, although several scale items might only be suitable to measure the cognitive components of COO. As a consequence, conflicting findings may occur and the development of a valid and reliable measure to capture the affective component of COO is hindered.

In order to adequately capture an individual's overall affect, it is of importance to evoke the individual's feelings and emotions towards a certain country. In the development of the scale to measure the reflective construct CA, this study drew on existing marketing and psychology studies and applied a semantic differential scale. This semantic differential scale is a commonly accepted and applied scale in COO literature and has been developed by Osgood (1952). This study proposes the following scale to measure CA, which is anchored in a seven point Likert-scale:

All things considered, how do you feel about [country]?

1. dislike/like

2. unpleasant/pleasant

3. repulsion/attraction

4. uncomfortable/comfortable

After having elaborated suitable measures for the three components of the COM, Country-of-Origin Image (CI), Country-of-Origin Imagery (CY) and Country-of-Origin Affect (CA), the applied methods of this study are outlined in the following chapter.

6. Methods

In the following, the applied methods of this study are presented. A mixed methods design that combined both a qualitative and a quantitative study has been applied to test the developed COM in the context of Germany as a car manufacturer. Further, both studies were conducted in the Copenhagen metropolitan area in Denmark.

6.1 Qualitative Study

A qualitative study in form of semi-structured face-to-face interviews was applied with the purpose to derive a primary data pool of the various beliefs, associations and attributes individuals hold towards Germany as a car manufacturer. This specific form of interviews was chosen as a suitable method in this study due to the following reasons. Semi-structured interviews enabled the author of this study to gather high quality primary data (Saunders et al. 2012) on the individuals' beliefs and associations towards Germany as a car manufacturer. The collection of data on the individuals' CY is specifically relevant and important because consistent scale items, which reflect the individual's CY, have not been identified yet in COO research. Further, this specific type of interview provided the interviewer with the possibility to probe into the interviewee's answers (Saunders et al. 2012), if further explanations or meanings of the given answers were necessary. The opportunity to probe into answers during the interview was valuable, as it allowed to gather

precise and valuable data that suited the purpose of this interview, namely to identify the images, beliefs, or associations the interviewee had with Germany as a car manufacturer. Whenever it was unclear what the interviewees wanted to draw on, the interviewer intervened to help them to express their beliefs or images as accurate as possible. For instance, an interviewee, who responded to a question with the descriptive term 'nice', actually referred to the 'nice design' of German cars after being probed by the interviewer. This is of importance considering that CY is a formative construct and its meaning is derived from the indicators representing it. Thus, by probing into answers in semi-structured interviews, a high level of credibility and validity could be achieved (Saunders et al. 2012) as it allowed to detect and accurately determine the various indicators of the CY construct.

The interviewees for this qualitative study were selected by a probability sampling method. Generally, there are two different sampling methods from which researchers can choose, probability and non-probability sampling (Saunders et al. 2012). The probability sampling method gives an individual an equal chance to be selected from the target population and it provides researchers with the possibility to make inferences from the sample about a population. Whereas the non-probability sampling gives an individual of a target population an unequal chance to be selected. This method is often applied, e.g., in business case research (Saunders et al. 2012) because a generalization drawn from the findings is not the initial purpose. Several techniques fall under the probability sampling method, such as random, systematic, stratified and cluster (Saunders et al. 2012). This study applied a random sample technique, which gave individuals an equal chance to be selected. Further, no individual was excluded because of age, gender or appearance. However, as the COO under investigation was Germany, German was the only nationality to be excluded in this study to avoid a data bias.

In total, 25 interviews were conducted with interviewees living in the Copenhagen metropolitan area in Denmark. The sample characteristics of this qualitative study are shown in Table 1.

		Whole Sample	
Variable	**Level**	**Frequency**	**in %**
Age	18-29	18	72
	30-39	6	24
	40-49	0	0
	50-64	1	4
	65+	0	0
	Total	25	100%
Gender	Female	15	60
	Male	10	40
	Total	25	100%

		Whole Sample	
Variable	**Level**	**Frequency**	**in %**
Nationality	Danish	10	40
	Chinese	2	8
	Bulgarian	1	4
	American/Italian	1	4
	Austrian	1	4
	Canadian	1	4
	Norwegian	1	4
	Pakistani	1	4
	Polish	1	4
	Spanish	1	4
	Czech	1	4
	Turkish	1	4
	Filipino	1	4
	Danish/Polish	1	4
	Latvian	1	4
	Total	25	100%

Table 1: Qualitative Study - Sample Characteristics

The gender distribution between the interviewees was almost equal, with 60% being female and 40% being male. The age distribution shows that a large share of the interviewees, 72%, fell in the age range 18-29, followed by 24% stemming from age range 20-39 and 4% from age range 50-64. However, no interview was conducted with an individual who fell in the age range 40-49 or 65+. Further, fifteen different nationalities were represented in the interview sample. Of these, the majority of interviewees were Danish (40%).

The interviews were completely anonymous and lasted between 10 to 15 minutes. Each interviewee was asked the following set of questions in the same sequence:

1. *What images or characteristics come to your mind when you think of Germany as a car manufacturer?*
2. *How would you describe Germany as a car manufacturer?*
3. *From your perspective, what characterizes Germany as a car manufacturer?*

These three questions have been elaborated with the purpose to activate as many associations as possible in the interviewees' minds, namely by formulating the questions from a variety of angles – to state images or characteristics when thinking of, to describe, and to characterize Germany as a car manufacturer. Generally, all three questions were

meant to trigger the same construct under analysis, namely the CY. Thus, it was not surprising or uncommon that several interviewees repeated their answers or provided similar answers for all three questions.

At the beginning of each interview, the interviewees were instructed to state freely and honestly what came to their minds when they hear the questions. Further, all answers provided by these 25 interviewees were written down by the interviewer. As pointed out previously, the interviewer probed into unclear or inaccurate answers, when necessary, to ensure a meaningful and accurate set of data. However, every interaction with an interviewee can have an impact on the collected data. For instance, non-verbal behavior, such as gestures or facial expressions and comments, could influence the response of the interviewee. Thus, any non-verbal behavior and comments that could have indicated the interviewer's judgement of the given answers have been avoided, and in case of any questions, only neutral responses were provided to elude bias responses (Saunders et al. 2012).

After the 25 interviews have been conducted, all answers to the three questions were grouped according to their meaning. A total number of 213 answers have been provided which were grouped into 21 overall imagery items. The assignment of answers to an overall imagery item was necessary due to the rich data provided by the interviewees. Some answers were identical in their meaning and could easily be grouped together. For instance, answers such as 'secure to buy a car', 'trustful cars' and 'cars are reliable' have been assigned to the overall imagery item 'safety', which represented the meaning of the underlying answers best. However, several answers only appeared once, such as 'fantastic branding' or 'huge reputation'. Due to their low occurring frequency, those answers were considered to be non-representative items and were assigned to the category 'Others'.

An overview of these 21 imagery items is provided in Table 2, including their mentioned frequency and percentage share. A complete overview of all answers that were provided by the interviewees and the corresponding categorization, is provided in Appendix A to give the reader deeper insights into the answers that build up these overall imagery items.

Imagery items	**Frequency**	**in %**
Technologically advanced	51	23,9
Scandal/corruption	22	10,3
Trustworthy	20	9,4
Safe cars	13	6,1
High efficiency	12	5,6
Ambitious working attitude	11	5,2
Value for money	9	4,2
Expensive car manufacturer	6	2,8
Focus on design	6	2,8
Fast/sporty cars	3	1,4
Innovation	3	1,4
Suited for northern climate	3	1,4
Luxury cars	1	0,5
Cheap cars	1	0,5
Everything is in order	1	0,5
Not innovative	1	0,5
Lack of technological knowledge	1	0,5
Brand names	*18*	*8,5*
Range of cars (costs, class)	*11*	*5,2*
Big manufacturer and exporter in Europe	*8*	*3,8*
Other	*12*	*5,6*
Total	**213**	**100%**

Table 2: Overview of Overall Imagery Items

The seven most frequently mentioned overall imagery items associated with Germany as a car manufacturer were: 'technologically advanced', 'scandal/corruption', 'trustworthy', 'safe cars', 'high efficiency', 'ambitious working attitude' and 'value for money'. These overall imagery items were selected to be included in the subsequent quantitative study based on their frequency and meaning compared to other overall imagery items. The imagery items with a frequency of less than 9 have been excluded due to two reasons. First, it was not possible to include all items in the quantitative study as this would have exceeded the scope of the questionnaire. And second, due to the low frequency of mentioned associations, these overall imagery items were considered to not represent the most common associations individuals might have with Germany as a car manufacturer. Further, the four overall imagery items at the bottom of the table, outlined in cursive characters, 'Brand names',

'Range of cars (cost, class)', 'Big manufacturer and exporter in Europe' and 'Others' have also been excluded from the scope. The decision to exclude these four overall imagery items was made due to their low relevance, mentioned frequency and meaning compared to the other overall imagery items. For instance, the overall imagery item 'Brand name' accumulates answers, such as 'Volkswagen', 'BMW', and 'good brands', and has been classified as containing less meaningful imageries than, for instance, the overall imagery item 'High efficiency'.

To sum up, 213 imagery items related to Germany as a car manufacturer were provided by 25 interviewees during semi-structured face-to-face interviews. All items were assigned to 21 overall imagery items that best represented their meaning. Finally, the seven most frequently occurred imagery items were chosen to be included in the subsequent quantitative study: 'technologically advanced', 'scandal/corruption', 'trustworthy', 'safe cars', 'high efficiency', 'ambitious working attitude', and 'value for money'.

6.2 Quantitative Study

A paper-based questionnaire was in the quantitative study with the purpose to test the developed COM with its components CI, CY and CA, and the outcome variables WTB, WTP and WOM. Questionnaires are a popular data collection method as they allow to collect standardized data from a sizeable population at a low cost (Saunders et al. 2012). In contrast to an online questionnaire, a paper-based questionnaire enabled to answer possible questions from participants related to its content right away and to check for missing responses, in order to reduce the number of unusable questionnaires. Further, in contrast to online questionnaires, people were not able to fill out a paper-based questionnaire several times, which consequently led to a reduction in data bias.

In terms of the sampling method of the quantitative study, the reasons were balanced once again whether to apply a probability or non-probability sampling method. The prevailing sampling method in existing COO studies is non-probability sampling (Roth and Diamantopoulos 2009), which gives an individual of a target population an unequal chance to be selected. The disadvantage of such sampling method lies in the difficulty to generalize findings from these studies. In COO research, the commonly applied sampling technique, which belongs to non-probability sampling, is a convenience sample that is composed of

students (e.g. Erickson et al. 1984; Hong and Wyer 1989; Hooley et al. 1988; Johansson et al. 1985; Martin and Eroglu 1993; Roth and Romeo 1992; Schooler 1965). University students are easily accessible by most researchers and further, the entailed costs related to research are low. However, this technique is prone to bias and often lacks credibility (Saunders et al. 2012). On that account, it is not surprising that COO studies, which are based on convenience samples, have been criticized by several researchers (e.g. Bilkey and Nes 1982), as they constitute a threat to the study's validity and reliability. Thus, some researchers applied a random sample technique in their COO studies (e.g. Desborde 1990; Heslop et al. 2004; Wang and Lamb 1983), which falls under the probability sampling method. In contrast to the non-probability sampling method, this method entails a high degree of generalizability as it employs a sample that is representative in terms of demographics, such as gender and age (Roth and Diamantopoulos 2009). Based on the above, and the aim of this study to advance the COO research with a valid and reliable model that is capable of explaining how individuals mentally form, store and use representations of COO, the decision was made to apply a probability sampling method with a random sample technique.

More precisely, paper-based questionnaires were distributed in trains and cafés in the Copenhagen metropolitan area in Denmark. Hereby, no individual was excluded due to age, gender, appearance or nationality (except from German as already outlined in the qualitative study), and every potential respondent was informed that the questionnaires are treated confidentially and that it takes approximately 5 minutes to complete them. There are two main reasons behind distributing the questionnaires in this way. First, both, trains and cafés constituted places where a high number of individuals could be reached in a cost-effective way and at different times of the day to fill out the questionnaire. This allowed to reach individuals differing in age, gender and appearance and consequently, enhanced the sample's representativeness as designated by the random sample technique. Second, it has been assumed that the response rates in trains and cafés are higher because individuals are usually not too engaged in doing something or on the go. For instance, individuals spend time in cafés to take a break from shopping or work, to relax or to spend time with family and friends. Thus, these people were assumed to have time and be more willing to fill out the questionnaire due to the relaxing atmosphere. Further, many people use trains to commute between places. However, only train routes with a long interval (approx. 5-10 minutes)

between the various destinations were chosen, as this time span gave individuals the opportunity to fill out the questionnaire accurately without feeling time pressured. In addition, it should be pointed out that little chocolate treats have been used as a material incentive to boost the response rate of the questionnaire.

A total number of 223 individuals were randomly approached and asked to fill out the questionnaire. Of 223 invited respondents, 175 were willing to answer the questionnaire, yielding a response rate of 78,5%. All questionnaires were screened to identify whether the respondents had filled out the questionnaires correctly. One questionnaire had to be excluded due to missing item responses. Consequently, 174 out of 175 questionnaires were usable for further analysis in this study.

An overview of the sample characteristics, age and gender is shown in Table 3. More than half (58,6%) of the respondents were between 18-29 years old, followed by 19% between 30-39 years old, 14,4% fell in the age range 40-49 and 8% in the age range 50-64. However, no respondent of this quantitative study was 65 years or older.

		Whole Sample	
Variable	**Level**	**Frequency**	**in %**
Age	18-29	102	58,6
	30-39	33	19,0
	40-49	25	14,4
	50-64	14	8,0
	65+	0	0
	Total	174	100%
Gender	Female	96	55,2
	Male	78	44,8
	Total	174	100%

Table 3: Quantitative Study - Sample Characteristics: Age and Gender

Further, the sample consisted of slightly more women (55,2%) than men (44,8%). Besides the control variables, gender and age, the nationality was assessed. The overview of the

sample characteristic, nationality, is outlined in Table 4, which shows that most of the respondents were Danish (62,6%). Further, the following control variable question was included: *'Have you ever owned a German car before?'*. 34% of the respondents answered this question with yes, whereas the major part (66%) of the respondents answered this question with no.

		Whole Sample	
Variable	**Level**	**Frequency**	**in %**
Nationality	Danish	109	62,6
	Italian	6	3,4
	Filipino	5	2,9
	Lithuanian	4	2,3
	Austrian	4	2,3
	Chinese	4	2,3
	Polish	4	2,3
	Swedish	4	2,3
	Norwegian	3	1,7
	Spanish	3	1,7
	Pakistani	2	1,1
	Dutch	2	1,1
	Czech	2	1,1
	Mexican	2	1,1
	Bulgarian	2	1,1
	American	1	0,6
	Brazilian	1	0,6
	British	1	0,6
	Canadian	1	0,6
	Croatian	1	0,6
	France	1	0,6
	Indonesian	1	0,6
	Israeli	1	0,6
	Japanese	1	0,6
	Latvian	1	0,6
	Malaysia	1	0,6
	Romanian	1	0,6
	Russian	1	0,6
	Slovak	1	0,6
	Swiss	1	0,6
	Thai	1	0,6
	Turkish	1	0,6
	Vietnamese	1	0,6
	Total	**174**	**100**

Table 4: Quantitative Study - Sample Characteristics: Nationality

The paper-based questionnaire has been designed to measure the three components of the COM, CY, CI and CA, and further, the behavioral intention variables willingness-to-buy

(WTB), willingness-to-pay (WTP) and word-of-mouth (WOM). The data collection of the preceding qualitative study has led to seven CY items, which were chosen to be implemented in the quantitative study based on their frequency and meaning compared to other overall imagery items. Each of these seven imagery items were measured on a seven-point Likert-scale along the associations' valence, ranging from 'not at all' to 'very much', and the associations' strength, ranging from 'very negative' to 'very positive' (see chapter 5.2). Further, four-item scales were used to measure CI and CA, as proposed previously in chapter 5.1 and 5.3.

The behavioral intention variables WTB, WTP and WOM have all been measured with items anchored in a seven-point Likert-scale ranging from 'strongly disagree' to 'strongly agree'. All scales to measure these three outcome variables were adapted from previous marketing and consumer behavior research studies.

More precisely, the measurement scales for WTB were adapted from Oberecker and Diamantopoulos (2011). In total, four statements have been included in the questionnaire to measure the respondent's WTB:

1. *I strongly intend to buy a German car in the future*
2. *It is very likely that I would choose a German car*
3. *I like the idea of buying a German car*
4. *Buying a German car is very appealing to me*

In order to measure the respondent's WTP, a scale from Zeithaml et al. (1996) has been adapted that measures an individual's tendency to pay more, rather than measuring the absolute amount of a payment. The following four statements have been developed:

1. *I would continue to buy German cars even if the prices were increased*
2. *I would pay a higher price for German cars than for cars from other countries*
3. *I would be willing to spend more money for a German car than for a similar car from another country*
4. *I would buy a German car even if it was more expensive than most other cars*

And lastly, four statements have been integrated in the questionnaire to measure the respondent's WOM by employing an adapted measure from Arnett et al. (2003):

1. *I would talk up German cars*
2. *I would bring up German cars in a positive way in conversations*
3. *I would speak favorable about German cars*
4. *I would recommend German cars to other people when asked*

The full questionnaire can be found in Appendix B.

7. Results

The previous chapter outlined the applied methods of this study. In this chapter, the results are presented. More specifically, the choice of the statistical method is presented and the measures' reliability and validity are assessed. Hereafter, the developed hypotheses on the COM are tested and the results are outlined.

7.1 Analysis of Quantitative Study

Structural Equation Modelling (SEM), a multivariate data analysis method, has been applied to test the developed COM with its distinct but related constructs that occur in a nomological network (Cronbach and Meehl 1995). The term nomological network, also regarded as 'lawful network' was derived from Cronbach and Meehl's (1995) view of construct validity. More specifically, Cronbach and Meehl (1995) argue that a nomological network has to be developed to measure the construct's validity, and that this network consists of a theoretical framework for what is being measured, an empirical framework for how it is measured and a specification of the relationship and interaction between these two frameworks. With SEM, a visual examination of the relationships between independent and dependent variables is provided.

There exist several traditional statistical methods, such as Analysis of Variance (ANOVA), to assess distinct groups or constructs within a model. ANOVA is a statistical method used to measure the variance between the means of two or more constructs and the variance within them. Although different types of ANOVA exist, this method tests for the overall experimental effect by comparing the means of various constructs and thus, fails to provide specific information about which constructs are affected. On the contrary, SEM is a widespread and generic tool that allows to convey the complementarity and synergies among several distinct

statistical methods, such as multiple regression or ANOVA, 'under one umbrella' (Bagozzi and Yi 2011) to test the relationships and interactions between dependent and independent variables of a model. Thus, SEM can be regarded as the seminal method of analysis for nomological networks as it enables to link interrelated theoretical constructs and their indicators with empirical evidence (e.g. Chin and Newsted 1999). Further, an important methodological contribution of SEM is its ability to take into account measurement errors (Fornell and Larcker 1981). Based on this, it was reasonable to choose SEM as a statistical method over others in the present study, as the purpose of this study is to analyze how the distinct constructs within the COM relate and affect each other.

There exist several approaches to analyze a SEM. In this study, the software program SmartPLS (Ringle et al. 2015), which uses the Partial Least Squares (PLS) method, has been chosen to perform the statistical analysis of the SEM. The main reason behind this choice was that SmartPLS enabled to estimate both, formative and reflective constructs (Hair et al. 2014) in a partial least square structural equation model (PLS-SEM). Other software programs, such as AMOS, are solely able to estimate reflective but not formative measurement models. Considering that the PLS-SEM consists of formative (CY) and reflective (CI and CA) constructs, it was of importance to select a software program that is able to distinguish between reflective and formative measurement models, as both yield different empirical outcomes (Bagozzi and Yi 2011). Further and contrary to AMOS, PLS modelling is a powerful analysis method because the data is already standardized and thus, has minimal demands on sample size and measurement scales (Chin and Newsted 1999). However, these minimal demands on sample size and measurement scales do not rule out multicollinearities between the constructs and its indicators, making a multicollinearity assessment necessary.

7.2. Reliability and Validity of Scales

In the following, the reliability and validity of the applied measures of the reflective constructs of the COM are assessed. In general, it is necessary to thoroughly examine reliability and validity of reflective constructs in order to conduct a further analysis of a model, as their indicators are interchangeable and highly correlated (e.g. Hair et al. 2014). However, considering that "formative indicator models do not yield meaningful measures of

reliability and pose problems in terms of doing cross-validations, generalizations, and testing for construct validity" (Bagozzi and Yi 2011: 11), the independent variable CY of the COM was not included in the reliability and validity assessment. Instead, the adequacy of the formative CY construct and its indicators was evaluated based on a multicollinearity assessment.

7.2.1 Internal Consistency Reliability

The term reliability is concerned with the notion of whether the results of a certain study are repeatable over again under consistent conditions (Bryman 2012). To achieve reliability, it is crucial that the applied measures of a construct are consistent and stable. In cases where a measure is detected to be unreliable due to inconsistency, a repeated study could subsequently yield distinct results.

In order to assess the internal consistency of the developed measures for the reflective constructs of this study, the composite reliability has been estimated. Table 5 outlines the composite reliability estimates of the reflective constructs which range from .95 to .97.

Construct	No. of Indicators	Composite Reliability
1 Country-of-Origin Affect (CA)	4	0.973
2 Country-of-Origin Image (CI)	4	0.971
3 Country-of-Origin Imagery (CY)	7	-
4 Word-of-Mouth (WOM)	4	0.967
5 Willingness-to-Pay (WTP)	4	0.968
6 Willingness-to-Buy (WTB)	4	0.958

Table 5: Composite Reliability - Reflective Constructs

An acceptable level of reliability for measurement scales is a composite reliability estimate of .7 or higher (Bagozzi and Yi 1988). Thus, the applied measures of the reflective constructs indicate highly positive correlations, leading to an acceptable level of internal consistency reliability.

Although an acceptable level of reliability of the applied measures has been estimated, the validity of these measures is not automatically implied. Consequently, the validity was assessed and is outlined in the following section, to ensure that the developed measures are indeed measuring what they are conceptually supposed to measure.

7.2.2 Convergent Validity

The developed COM comprises several reflective constructs that are theoretically related to each other but are measured in distinct ways. Having in mind that the measurement scales for all of these constructs have either been newly developed or adapted from previous research studies, it seemed inevitable to analyze their relationships and to test whether the applied measurement scales are functioning correctly. On that account, it was necessary to assess the validity of the COM, which is overall concerned with the truthfulness of the research conclusion (Bryman 2012). Thus, the convergent validity was assessed as it indicates whether the elaborated measures of each construct are representing the construct adequately.

In this study, the average variance extracted (AVE), a measure that reflects the convergent validity of a SEM, has been assessed. The AVE measures the average amount of variance in the indicators of a reflective construct in relation to the amount of variance due to measurement errors (Fornell and Larcker 1981). If the AVE is below .50, the convergent validity of the construct is questionable because the variance due to measurement errors is higher than the variance explained by the construct. On the contrary, an AVE of .50 or higher indicates an acceptable convergent validity (Bagozzi and Yi 1988).

Construct	No. of Indicators	Average Variance Extracted
1 Country-of-Origin Affect (CA)	4	0.900
2 Country-of-Origin Image (CI)	4	0.895
3 Country-of-Origin Imagery (CY)	7	-
4 Word-of-Mouth (WOM)	4	0.878
5 Willingness-to-Pay (WTP)	4	0.884
6 Willingness-to-Buy (WTB)	4	0.850

Table 6: Convergent Validity - Average Variance Extracted

As outlined in Table 6, the AVE for the reflective constructs of the SEM are all above .85, which indicates that all reflective constructs are well explained by their corresponding indicators. Consequently, the constructs' measures can be regarded as being adequate.

7.2.3 Discriminant Validity

After having assessed the convergent validity, the discriminant validity was estimated, as both quality criteria aligned provide evidence for construct validity. The discriminant validity is assessed to identify whether a latent construct has the strongest relationship with its own indicators and not with outside indicators of another construct (Hair et al. 2014). In other words, construct measures that should conceptually not be related to each other, are indeed not related. The establishment of discriminant validity is crucial for conducting further statistical analysis of the SEM in order to be certain that the results of the hypotheses testing are correct (e.g. Fornell and Larcker 1981). In this study, the discriminant validity of the SEM has been assessed by evaluating the cross-loadings and the variance inflation factor (VIF), and applying the Fornell and Larcker (1981) criterion.

In the examination of reflective constructs and their corresponding indicators, the factor loadings can provide reliability information and thus, they play a significant role in determining the appropriateness of the constructs' indicators (Chin and Newsted 1999). Every factor loading shows the correlation between the construct and its indicator, whereas a factor loading of .70 or greater implies a high correlation, and a factor loading of below .70 a low correlation in terms of shared variance with the corresponding construct (Bagozzi and Yi 2011). In the SEM, 19 out of 20 indicators load highest (between .88 and .96, $p < .001$) on the constructs they are associated with, compared to all the other constructs. Only one indicator of the WTP construct, namely *'I would continue to buy German cars even if the prices were increased'*, has a factor loading of -.89 ($p < .001$), which indicates a negative correlation between the construct and this indicator. However, Curtis and Jackson (1962) argue that a negative correlation of a measure can occur although the same concept is captured, which is in line with Nunnally and Bernstein (1994: 489) who argue that "[…] two variables that might even be negatively related can both serve as meaningful indicators of a construct". Thus, this study concluded that no serious cross-loadings have been identified, indicating that each construct's corresponding indicators are appropriate. Further, the variance

inflation has been estimated to detect a potential multi-collinearity between the indicators of the dependent variables CA, CI, WOM, WTP and WTB, as a collinearity can lead to a misleading conclusion of subsequent analysis results (Mason and Perreault 1991). Except for one indicator of the CI construct (*'I think buying a German car is: positive/negative'*; VIF = 10.1), which is slightly above the critical value of 10, all variance inflation factors (VIF) of the remaining indicators are below this threshold, indicating no severe multicollinearity problem. Thus, the indicators can be regarded as being relatively independent of each other.

The Fornell-Larcker criterion (1981) represents a method to assess the discriminant validity of two or more reflective constructs. More specifically, this criterion requires that a construct's square root of AVE must be greater than the correlation coefficient of this construct with each of the other constructs in a SEM, including formatively measured constructs. In cases where the square root AVE of a latent construct is lower than the correlation coefficients with other constructs, the validity of the construct itself and its indicators are questionable, which consequently deprives subsequent research findings (Fornell and Larcker 1981). In Table 7, the square root AVE of all reflective constructs of the SEM are outlined in bold. Further, it can be inferred from Table 7 that all constructs' square root AVE are greater than the calculated correlation estimates with all the other constructs, including the formative construct CY.

Construct	No. of Indicators	1	2	3	4	5	6
1 Country-of-Origin Affect (CA)	4	**0.949**					
2 Country-of-Origin Image (CI)	4	0.845	**0.946**				
3 Country-of-Origin Imagery (CY)	7	0.618	0.645				
4 Word-of-Mouth (WOM)	4	0.714	0.687	**0.513**	**0.937**		
5 Willingness-to-Pay (WTP)	4	0.514	0.487	0.393	0.706	**0.940**	
6 Willingness-to-Buy (WTB)	4	0.571	0.556	0.427	0.686	0.735	**0.922**

Table 7: Discriminant Validity - Fornell-Larcker Criterion (1981)

To give one example, the square root AVE for the reflective construct CA is .949. This coefficient is higher than the correlation coefficient between CA and the CI (.845), CY (.618),

WOM (.714), WTP (.514) and WTB (.571) construct, indicating that CA discriminates from the other constructs. Thus, all constructs indicate adequate discriminant validity.

Based on the above, it can be concluded that discriminant validity for all the reflective constructs' measurement scales has been established according to the cross-loading, VIF, and the Fornell-Larcker criterion.

7.2.4 Independent Variable – Country-of-Origin Imagery

Contrary to the dependent variables of the SEM, CI, CA, WOM, WTP and WOM, which are conceptualized as reflective constructs, the independent variable, CY, was formatively constructed. The differences and commonalities of reflective and formative constructs, and their resulting distinct measurement procedures, have received considerable attention in the literature (e.g. Bagozzi 2011; Diamantopoulos and Winklhofer 2001; Jarvis et al. 2003). A related issue of differences between the constructs concerns the application of traditional procedures to detect possible biases regarding their reliability and validity. More specifically, while it is possible to control reflective constructs for biases by applying meaningful measures of reliability and validity, "[…] similar procedures do not exist for formative approaches to measurement at this time" (Bagozzi 2011: 268). A reason behind this is that formative indicators are intended to represent distinct facets of one construct (Diamantopoulos and Siguaw 2006) and are consequently not expected to correlate with each other. Thus, it is necessary to evaluate the quality of formative indicators by following alternative approaches (Diamantopoulos and Winklhofer 2001). For instance, in the examination of reflective constructs and their corresponding indicators, the factor loadings can provide reliability information and therefore, play a significant role in determining the appropriateness of the construct's indicators (Chin and Newsted 1999). However, in formative constructs no factor loadings are available but rather weights. The weight and its corresponding significance level may provide an indication, whether the formative indicators are appropriate or not. The weight of two out of the seven formative indicators, namely, 'High Efficiency' (-0.001, p = 0.994) and 'Value for money' (0.124, p = 0.402), are not significant (see Table 8). It could be argued that these indicators should be eliminated or moved together with another indicator due to their non-significant weights. However, as

outlined previously, no secure criteria or approach is available to determine the appropriateness of formative indicators.

Indicators of formative Construct CY	Weight
Scandal/Corruption	0.298*
Trustworthy	0.240*
Safe cars	0.429*
High efficiency	-0.001 ns
Ambitious working attitude	-0.382**
Value for money	0.124 ns
Technologically advanced	0.489**

*p < .05, **p < .01, ***p < .001, ns= non-significant

Table 8: Indicators of Independent Variable CY - Weights

Thus, a second approach, testing for multicollinearity, was applied, before a final decision was made whether or not to exclude indicators from the construct. In formative constructs, multicollinearity is seen as an issue as it may cause estimation difficulties (e.g. Diamantopoulos and Winklhofer 2001; Diamantopoulos, Riefler and Roth 2008). Thus, the VIF of the formative indicators were assessed to eliminate those, which fall above the critical value of VIF > 10. Some researchers even recommend to exclude indicators when the VIF is above 3.3 (e.g. Diamantopoulos and Siguaw 2006). The VIF value of the indicators of the formative construct, which range from 1.7 to 2.6, are outlined in Table 9.

Indicators of the formative construct Country-of-Origin Imagery (CY)	VIF
Scandal/Corruption	1.730
Trustworthy	1.787
Safe cars	2.638
High efficiency	2.523
Ambitious working attitude	2.121
Value for money	2.393
Technologically advanced	2.432

Table 9: Formative Construct - Variance Inflation Factors (VIF)

All VIF estimates are below the generally accepted threshold of 10 and even below the cut-off value of 3.3, as proposed by some researchers. Thus, all items were determined to be necessary for the formative construct as the VIF estimates indicate no harmful multicollinearity between the indicators. In cases where multicollinearity is an issue (VIF > 3.3), it could be argued to exclude the indicator from the construct or to merge it with another indicator. However, the omission of indicators from a formative construct should not solely be based on statistical properties but rather be justified theoretically (Diamantopoulos and Winklhofer 2001). Not at least because the elimination of indicators consequently results in an altering of the construct's meaning (e.g. Diamantopoulos and Winklhofer 2001).

In the present study, two indicators revealed non-significant weights and it could be argued to eliminate these two from the formative construct. However, no multicollinearity problems related to the indicators of the formative construct have been identified (all VIF < 2.6). Further, considering that all indicators of the formative construct resulted from a preceding qualitative study, it seemed justifiable to keep all indicators of the dependent variable CY and regard them as adequate.

Based on the above results in terms of reliability and validity, the applied measures of the COM can be regarded as adequate for further analysis.

7.3 Model Analysis and Hypotheses Testing

In PLS-SEM, the data is not assumed to be normally distributed and consequently, parametric significance tests cannot be applied to identify significant path coefficients. Thus, a nonparametric bootstrap procedure (e.g. Efron and Tibshirani 1986) was applied in SmartPLS to test the developed hypotheses. More specifically, bootstrapping enabled to test the significance of the structural paths between the various constructs after having resampled the sample data of this study, until 5000 random subsamples have been created. Based on these subsamples, path coefficients have been estimated and t-statistics were used to assess the significance of each path coefficient. Consequently, this procedure enabled to examine the causal relationships between various constructs of the COM. In the following, the results of the hypotheses testing are presented.

Hypotheses H1a-c

The first hypothesis proposed that Country-of-Origin Image (CI) has a positive effect on an individual's behavioral intentions. More precisely, it was hypothesized that 'H1a: *Country-of-Origin Image (CI) positively relates to willingness-to-buy'.* The results show that CI positively relates to WTB (.25, $p < .05$), thus the hypothesis H1a can be confirmed. Further, the results indicate (.29, $p < .01$) that the hypothesis 'H1b: *Country-of-Origin Image (CI) positively relates to word-of-mouth'* can also be confirmed. However, in the examination of a possible positive causal relationship between CI and WTP, the results show that this relationship is not significant (.18, ns). Thus, the hypothesis 'H1c: *Country-of-Origin Image (CI) positively relates to willingness-to-pay'* cannot be confirmed. Considering that H1a and H1b are confirmed, it can be argued that overall, CI positively relates to behavioral intentions.

Hypothesis H2

The second hypothesis was tested to identify, if the individuals' CY has a positive effect on CI. According to the results, CY positively relates to CI (.19, $p < .01$). Consequently, the hypothesis 'H2: *Country-of-Origin Imagery (CY) positively relates to Country-of-Origin Image (CI)*' can be confirmed.

Hypothesis H3

The third hypothesis examined the causal relationship between CY and CA. More specifically, it was proposed that 'H3*: Country-of-Origin Imagery (CY) positively relates to Country-of-Origin Affect (CA)*'. The results show a highly significant and positive (.61, $p <.001$) path between the individuals' CY and CA. Thus, hypothesis H3 can be confirmed.

Hypothesis H4

The results show that a positive relationship between CA and CI exists (.72, $p < .001$). Thus, the hypothesis 'H4: *Country-of-Origin Affect (CA) positively relates to Country-of-Origin Image (CI)*' can be confirmed.

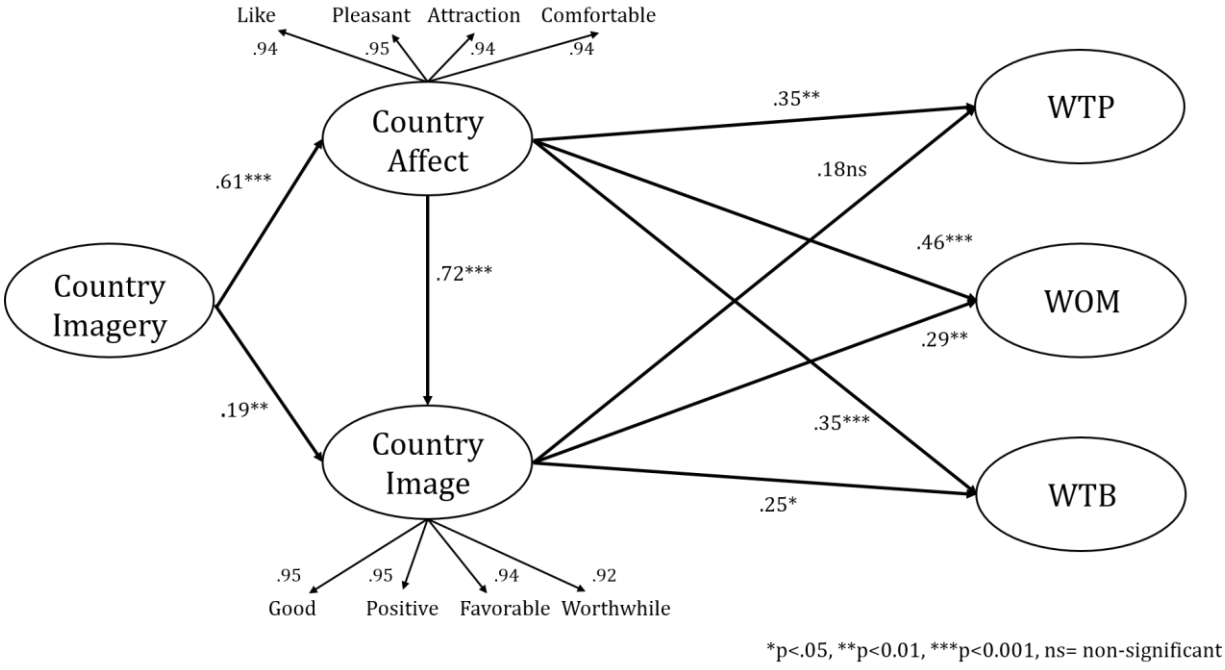
Hypotheses H5a-c

Further, this study proposed that not only CI, but also CA has a positive effect on the individual's behavioral intentions. In alignment with the hypotheses developed for CI and

behavioral intentions, three hypotheses were elaborated and tested to identify the relationship between CA and behavioral intentions. The first hypothesis proposed that 'H5a*: Country-of-Origin Affect (CA) positively relates to willingness-to-buy*'. The results indicate that CA positively relates to WTB (.35, p < .001), confirming the hypothesis H5a. Further, the relationship between CA and WOM was tested and the results show that CA also positively relates to WOM (.46, p < .001). Thus, the hypothesis 'H5b: *Country-of-Origin Affect (CA) positively relates to word-of-mouth*' can also be confirmed. The last developed hypothesis between CA and WTP was tested and the results indicate that CA positively relates to WTP (.35, p < .001), confirming the hypothesis 'H5c: *Country-of-Origin Affect (CA) positively relates to willingness-to-pay*'. To summarize, the statistical results show that CA has a positive effect on the behavioral intentions, WTB, WOM and WTP.

Overall, the results of the hypotheses testing indicate a strong support for the developed COM (see Figure 2).

Figure 3: Results of the PLS-SEM for Germany as a car manufacturer



Despite the hypothesis H1c: *Country-of-Origin Image (CI) positively relates to willingness-to-pay*, which could not be confirmed, all other hypotheses could be confirmed. Based on this and the adequate reliability and validity of measures, this study argues that the COM is

statistically valid and enables to understand how individuals mentally link COO in their minds and how it affects their behavioral intentions.

After having presented the results of the statistical analysis of the COM, the results are now further discussed, and academic as well as managerial implications are provided.

8. Discussion and Implications

The COO construct, often referred to as country image, and its effects have received considerable attention by various researchers over the last decades. However, it is still one of the most controversial research fields, in which no agreement on its conceptualization and operationalization has been reached (Laroche et al. 2005), resulting in the fact that "country-of-origin effects are still poorly understood" (Verlegh and Steenkamp 1999: 521). And thus, it is not surprising that the advancement of the whole research area is limited.

The objective of this study was to close this gap by providing a formalized framework that enables to identify how COO information is integrated in individuals' mental processes, and to shed light on the complexity of the COO construct. To reach this objective, existing COO studies were conflated with seminal social and cognitive psychology literature, resulting in a three-dimensional COM, which consists of cognitive (CI and CY), as well as affective (CA) components. It should be noted that all these components were already implicitly assumed in existing COO studies but not entirely understood due to a lack of theoretical grounding and insufficiently theory-based measures.

The statistical analysis of the COM led to significant results, supporting its conceptualization and applied measures. Individuals form mental representations of a Country-of-Origin in their minds by involving three co-existing and interacting mental components. More specifically, the results confirmed that individuals hold an overall affective response (CA) towards a COO, which is driven by the various associations (CY) they hold in their minds. Further, this overall affective response positively influences the individual's overall evaluation (CI), with the latter also being influenced by the various association and beliefs (CY) about the country. These results are in line with the multi-component view of attitudes, as outlined previously, which holds the notion that affect as well as cognitions influence evaluations, and cognitions drive subsequent affect (e.g. Eagly and Chaiken 1993).

Further, empirical evidence was provided for how the COM's components influence behavioral intentions. More specifically, the results of the statistical analysis overall support the COM's proposition that WOM, WTP and WTB are positively driven by CA and CI. However, it could not statistically be confirmed that CI positively relates to WTP, whereas CA does positively relate to WTP. An explanation might be found in the disposition that, although behavioral intentions are influenced by both, cognitive and affective attitudes (Ajzen and Fishbein 1980), affect is commonly treated as the primary driver of behavioral intentions (Zajonc and Markus 1982), and may take precedence over cognitions in evaluations (Zajonc 1984). Further, in contrast to an individual's WTP, WOM as well as WTB are positively influenced by CI. In this context, this study argues that an individual's willingness to pay a higher price for a German car than for cars from other countries, is resulting in a higher commitment than the individual's willingness to buy or willingness to recommend a German car. More specifically, an individual does not enter into a monetary commitment, for instance, by recommending a German car to others. However, according to Koschate-Fischer et al. (2012: 22), "[…] WTP 'reminds' consumers that there is also a cost associated with acquiring products, thus encouraging them to be more careful when indicating their preferences".

8.1 Academic Implications

Within this study, a model has been developed that provides structural guidance for existing and possibly future COO research by applying seminal psychology literature, leading to an advancement of this research area with several implications for academicians. More specifically, this study adds to existing COO literature by providing structural guidance on existing conceptualizations of COO. Further, this study is another example of how sophisticated theoretical models can be identified and conceptualized by integrating knowledge and various perspectives from other relevant, related research fields. This study provides a new conceptual basis to gain an understanding of how individuals' form mental representations of a COO in their minds. Consequently, researchers who want to gain an understanding of the individuals' evaluative predispositions towards a particular COO should conceptualize country representations as CI. Whereas, in order to identify the various associations that individuals hold towards a certain COO, researchers should follow the conceptualization of CY. And when researchers want to gain an understanding of the

individuals' overall affect attributed to a certain COO, the conceptualization of CA should be followed.

Further, a wide range of measures, which differ in their complexity, have been developed and applied in existing studies to measure COO (e.g. Parameswaran and Pisharodi 1994). However, consistent and reliable measures have not been evolved yet (e.g. Martin and Eroglu 1993; Roth and Diamantopoulos 2009). Thus, this study identified several weaknesses of the distinct, existing measures in COO studies, and developed measures that appropriately capture COO and its underlying components by taking relevant approaches from marketing and consumer behavior, as well as psychology research into account. Consequently, researchers are advised to follow these newly developed measures in the operationalization of the CI, CY and CA construct. However, in order to avoid a misapplication and possible data bias, it is necessary to ensure that the definition and conceptualization of COO in the researcher's study are in line with these measures, and to make proper adjustments if necessary.

8.2 Managerial Implications

Several researchers underlined the relevance of the COO construct with their conclusions that COO acts as a signal of product quality (e.g. Steenkamp 1990), thus driving consumers' product evaluations (Han and Terpstra 1988), and consequently coloring their decision-making processes (Herz and Diamantopoulos 2013). Considering this, and the fact that the image of a COO is of dynamic nature and can change over time (e.g. Lampert and Jaffe 1998; Nagashima 1970: 1977), the COO and its effects are of importance to marketers and corporations, especially for those that suffer from a negative COO image of their products. Further, this study has shown how individuals' form mental representations of a COO in their minds, and also provides insights into how these representations can affect the individuals' behavioral intentions.

Taking the above into consideration, the findings of this study have relevant implications for international marketers and corporations in several respects. First, and in line with the academic implications, the COM allows corporations to gain an understanding of how individuals form mental representations of a COO, which is important since these representations have an effect on behavioral intentions. More specifically, the

operationalization of CY and its measurement in a two-dimensional evaluative space provide international marketers and corporations with a tool to not only identify the strengths of the various associations individuals hold towards a specific COO, but also to capture the individuals' evaluative responses associated with these associations and beliefs. For instance, the questionnaire results indicated that individuals strongly associate 'trustworthy' and 'safe cars' with Germany as a car manufacturer, but the individuals attached a higher degree of positivity to the association 'safe cars' than to 'trustworthy'. Further, the German Federal Chancellor, Angela Merkel, claimed that she believes that the Volkswagen Emissions Scandal will not harm the 'Made in Germany' label. However, the results of this study pointed to the opposite. Although the repercussions of the Volkswagen Emissions Scandal remain to be seen, the results indicated that individuals strongly associate 'scandal/corruption' with Germany as a car manufacturer and the association valence revealed the negativity that individuals attach to 'scandal/corruption'. Considering that an individual's CY drives CA and CI, which relate to behavioral intentions, the Volkswagen Emissions Scandal could indeed negatively influence the German 'Made in' label.

By applying the COM, corporations can identify the associations that are relevant to the consumers of their products and determine the positivity or negativity that consumers attach to these associations. Based on this, corporations can adapt their business strategies accordingly to comply with these associations and the attached evaluation. For instance, if individuals attach a high degree of negativity to 'innovation' and a high degree of positivity to 'safety' when it comes to German cars, a German car manufacturer that mainly focuses on innovation, could consider to shift or adapt its business strategies by putting more emphasis on the safety aspects of their products or other positively perceived associations. Further, corporations can take advantage of the CA and CI components of the COM to identify how individuals think and feel about their products. The statistical analysis has shown that an individual's overall affect (CA) and evaluative representations of a particular COO (CI), which are both driven by the various associations towards this COO (CY), can positively relate to behavioral intentions, indicating their relevance to be assessed by corporations to gain a competitive advantage. Further, the assessment of how consumers think and feel about products from a specific country may provide corporations with relevant insights that can be used for strategical decisions, for instance, related to a possible off-shoring or allocation

of new production sites. For instance, in cases when individuals hold negative feelings towards Germany as a car manufacturer and also think that buying a car from Germany is unfavorable or bad, a German car manufacturer might want to consider to produce a car in a country of which the individuals think positively of and also feel comfortable with. On the contrary, this also implies that corporations that are relocating their production facilities to other countries due to cost savings, should investigate the mental representation individuals hold towards this COO and outweigh the outcome of this investigation against possible margin losses resulting from a negative CA and CI.

Second, this study indicates how the components of the COM relate to behavioral intentions. While CA positively related to all the behavioral intentions measured, an individual's WTB, WTP and WOM, CI solely positively related to WTB and WOM. No significant relationship could be found between CI and WTP. The present study argues that an individual's willingness to pay a higher price for a German car than for cars from other countries, might result in a higher commitment than the individual's willingness to buy or willingness to recommend a German car. This finding and argumentation has managerial implications for decisions, for instance, related to price differentiation and price decisions of a corporation's products. More specifically, individuals might be sensitive when it comes to monetary commitments, despite a positive overall evaluation of the product from that country. Thus, marketers and corporations should be careful in setting a price for their products that is higher compared to a similar product from a distinct country.

9. Limitations and Future Research

In this chapter, the limitations of the present study are outlined and several avenues for future research are provided.

9.1 Limitations of Present Study

The present study conceptualized, operationalized and empirically tested a three-dimensional COM, comprising cognitive as well as affective components. In order to determine the adequacy of the applied measures, several quality criteria were applied to test the constructs reliability and validity. Although the results of these tests showed the adequacy of measures, there exist a few limitations related to this study.

The distinct constructs of the COM have been conceptualized as being either reflective (CI and CA) or formative (CY), and this choice was, among other, dependent on the causality between the construct and its involved indicators (Bollen 1989). More precisely, the construct CY can first exist and be conceptually meaningful when all indicators, each capturing a distinct facet related to the construct, have been chosen to represent it (e.g. Diamantopoulos and Siguaw 2006). In order to adequately capture all the associations, which are meaningful to represent the CY construct in the context of Germany as a car manufacturer, a qualitative study was conducted with 25 participants. However, it might have occurred that not all associations that are part of the construct's meaning have been captured during this data collection stage due to the following three reasons. First, all answers of the participants were accumulated and assigned to an overall imagery item, and based on meaning and occurring frequency, seven indicators were chosen to represent the CY construct. The allocation of answers to an overall imagery item has been executed with diligence and precision by the author of this study. However, this procedure bears the risk of a possible wrong allocation of answers or overall imagery items, for instance, due to human failure, and consequently, represents a limitation to this study. Second, the 25 participants of the qualitative study were selected based on a random non-probability sampling method. However, most of the participants fell in the age range 18-29 (72%) and none of the participants fell in the age range 40-49 and 65+. Consequently, it can be argued that some associations might not have been captured that represent a distinct facet of the CY, which is meaningful to the CY construct. And third, a statistical method and program was selected and applied to account for both, reflective and formative constructs, of the COM, which is of importance as both yield different empirical outcomes (Bagozzi and Yi 2011). As pointed out previously, there exists no standardized approach to test the reliability and validity of the formative construct. Thus, alternative approaches were applied to test the accuracy of the formative indicators. However, the applied alternative approaches yielded distinct results. While the weights of two out of seven indicators were not significant, the multicollinearity test showed good results of the VIF, indicating no harmful multicollinearity among the indicators. The author of this study decided to keep all indicators, because "[…] omitting an indicator is omitting a part of the construct" (Bollen and Lennox 1991: 308), and literature suggests that an omission of formative indicators should not solely be based on statistical properties but rather be justified theoretically (Diamantopoulos and Winklhofer

2001). Despite the fact that the construct's meaning is altered when an indicator is being excluded, one could argue that these two indicators should have been eliminated. Further, it should be noted that the indicators of the formative CY construct were custom-tailored to reflect the diverse associations linked with Germany as a car manufacturer, and are therefore not applicable cross-nationally.

Further, the study tested the various effects that the underlying components of the COM can have on behavioral intentions. The behavioral intentions were specified as WTP, WTB and WOM and have been measured with scales adapted from marketing and psychology research. Overall, the results showed that CA as well as CI positively relate to these three constructs, indicating the influence COO can exert on behavioral intentions. However, this study is limited to the extent that the three constructs WTP, WTB and WOM have not been as thoroughly defined and conceptualized as the three components of the COM. More specifically, it was not conceptualized how WTP, WTB and WOM relate to each other in thee given context and what their antecedents are.

The developed COM has been empirically tested in the context of 'Germany as a car manufacturer' and was conducted in Denmark. Thus, solely one single product category, i.e. automobiles, from one specific country was involved in this study. Consequently, the COM and the resulted findings are until now limited to the country and product category that were under investigation in this study.

9.2 Future Research

The results of the present study and its limitations provide several avenues for future research. The COM comprises three distinct components to capture the mental representations individuals hold of a COO in their minds, and the measurement results provided evidence on how these components affect behavioral intentions. However, "[…] there exists a gap between what consumers say they are going to do and what they actually do at the point of purchase" (Carrington et al. 2010: 141), which makes it necessary to distinguish between behavioral intentions and actual consumer behavior. Thus, in order to predict consumer behavior, it is necessary to further investigate not only the processes involved, but also the conditions under which each of the components drive behavioral intentions. Additionally, also the antecedents of the involved components CI, CY and CA

should be further investigated. Although these components interact and relate to each other, it does not implicate that they necessarily share the same antecedents and have the same impact on behavioral intentions.

Additionally, considering that this study and its findings were tailored to 'Germany as a car manufacturer' and that it was conducted in Denmark, a replication of this study is recommended. More specifically, comparative research should be conducted to investigate, whether the COM is applicable with other COOs and product categories involved. Further, it should be further assessed to what extent the effects of the COM's components on behavioral intentions are moderated by product categories and influenced by the respondents from other cultural environments. This could consequently lead to a higher applicability and cross-national generalizability of the developed COM.

In addition, the COM can equip researchers with a tool to further investigate the mental representations individuals hold towards a COO, also over a long period of time. It would be specifically worthwhile to conduct research to examine how individuals' mental representations of a certain COO change over time. This research and subsequent findings could particularly be relevant after an economic crisis or certain events, such as the German Volkswagen scandal or natural catastrophes occurring in a country. The reasoning behind this is that these events could result in a change of the strength and valence of individuals' associations towards a COO, the individuals' overall affect and evaluation of a particular country. A shift in these mental representations, which individuals hold towards a certain country, could be investigated by applying a longitudinal approach, and consequently provide researchers and marketers with valuable insights, and academic as well as managerial implications.

Additionally, the COM might be applicable in other research fields. For instance, Nadeau et al. (2008) point out that COO and tourism destination image are two research areas with related and overlapping constructs and interests. Considering this opportunity for convergence, it could be worthwhile to make proper alignments in the conceptualization of the COM and to test it in the context of tourist destinations, in order to develop a deeper understanding of the individuals' mental representations. The findings of an application of the COM across research fields could provide an opportunity to shed light into the

complexity of the COO construct, leading to an advancement of the entire research area, which is relevant to various, differing research fields.

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11. Appendix

Appendix A Qualitative Study – Overall Imagery Items and subordinated Answers

Appendix B Quantitative Study - Questionnaire

Appendix A - Qualitative Study – Overall Imagery Items and subordinated Answers

Imagery Items	Answers
Technologically advanced (Quality)	parts don't break easily shitty cars and nice quality cars robust cars good quality high quality big and well done cars robust cars good quality well tested cars good quality good quality and brands high product quality product and quality good quality good quality cars good solid quality good quality high quality cars high quality good quality

	quality cars
	combination of design and quality
	Quality
	Made in Germany: tells it is good quality
	good quality
	good quality
	good quality
	top quality
	whole quality in the finest engineering and machinery associated with Germany as a manufacturer also resembles Germany as a country
	decent cars
	quality
	nice cars
	nice cars
	nice cars
	Vorsprung durch Technik (Advantage through technology) is not as serious as before
	great functionality
	good engines
	whole package of cars is great
	symbol of quality, high-standards, great and luxurious machinery, strong and masculine comfort
	produce best cars in the world because they think of technical aspects
	detail oriented when making cars

	devil-hidden-in-the-detail approach towards production/design/engineering unique attitude towards the details in its manufacturing where those small differences play a huge role in safety, luxury and comfort very long and good experience in manufacturing cars long term sustained, established over long time good at being a car manufacturer good at what they are doing great car manufacturer nation decent manufacturer good manufacturer stable and popular manufacturer
Scandal/Corruption	sold as high quality product but it is not fake advertising but not all of them not environmentally correct as guessed a year ago Changed due to scandal: Über Leichen gehen (to stop at nothing) corporate culture has led to issues (cheating) VW scandal scandal of Volkswagen scandal will not hurt the company recent problems - undermines nice image of Germany as a car manufacturer satisfying, except Volkswagen damages image but not for long

	scandal, raises doubt and wonder if they are hiding something that authorities have not yet discovered Scandal I do not care about scandal CO2 emisison scandal even though there was the scandal, they did it so it can't be that bad anymore try to hide the truth misrepresentation of data bad business ethics due to scandal bad image now Image of industry is broken after the scandal: more difficult to trust them. Not just VW but all German cars
Trustworthy	trustful production trustful cars trust in German cars trust Trustworthy Trustworthy Before scandal: cars you can trusted Trustful Trustworthy secure to buy a car secure car manufacturer

	safe to buy a car comfortable feeling about them reliability satisfaction reliability Made in Germany is credible reliability cars that are solid, reliable reliable
Safe cars	people can count on safe cars playing safe when it comes to making cars safe product Safe people can still buy from German company and are safe customer safety German Manufacturer take their car manufacturing job very seriously with long lists of safety protocols and checklists. However, also relying upon their knowledge and experience in engineering with a great comfort. don't take much risk more careful when it comes to producing cars - the way they are doing it brand themselves as family car and security security is important safety, quality, sturdy safe

High Efficiency	efficiency efficient Efficient efficient efficient and good as possible cars efficient Efficient efficient car efficiency productive when it comes to cars productivity Lean
Ambitious working attitude	aim to become best very interested in getting ahead do anything to get ahead top 5 in the world top of the world high competition between brands good at marketing cars internationally top leaders in market good development Powerful they are the best

Value for money	not being cheated - you get what you buy make best cars in the world for a lot of years people get more value from German cars long term value out of cars Volkswagen - cars can drive forever nothing cheap about German cars, they don't skip anything to make it cheaper not always cheap but it will live longer than a cheaper car expensive cars but good quality value for money
Expensive car manufacturer	expensive cars prices are high expensive cars high prices too expensive high end expensive cars
Focus on design	design is secure not as experimental as other car manufacturer stylish cars make beautiful cars modern cars nice design e.g. porsche looks more stylish compared to Japanese cars
Fast/sporty cars	sporty cars sportiness

	sports cars
Innovation	incremental innovation: doing better and better continuous product improvement Innovation in industry due to competition
Suited for northern climate	cars made for norther Europe climate European focused getting into different countries
Luxury cars	Luxury
Cheap cars	make affordable cars
Everything is in order	everything is as it should be
Not innovative	don't innovate that much
Lack of Technological knowledge	lack of transparency in companies
Brand names	German Brands VW opel etc. many German brands classic big BMW, mercedes Volkswagen, Mercedes, Bmw, Opel strong brands Volkswagen, different brands Volkswagen BMW BMW Volkswagen many car brands

	strong brand association Volkswagen Volkswagen Bmw Mercedes good brands Porsche, different brands
Range of cars (costs, class)	wide range - from cheap to expensive cars and everything in between more for everyday people produce cars for average people who can afford cars different price ranges and cars something for everybody so many different cars and brands all types of cars- also cheaper ones family cars big cars grey to black very sleek made 4-doored stylish business car produce car for average people
Big manufacturer and exporter in Europe	strong international brand Europe's biggest car nation Big manufacturer and export a lot largest manufacturer (he assumes) export a lot of cars

	big factories big industry manufacturing cars - big marketshare
Other	Volkswagen bought Czech car manufacturer and manufacturer are doing better now main components steam from Germany even though production is outsourced non excitement give people what they want and know fantastic branding huge reputation German branded cars are highly valued and perceived amongst customers products represent and reflects the hands and minds behind them down to earth cars High competitiveness makes it risky to go into wrong directions Produce mostly silver and grey cars such as Mercedes black or silver

Appendix B – Quantitative Study - Questionnaire

Copenhagen Business School

In the following, we ask you for your opinion on one issues: Choosing **Germany as a car manufacturer**.

By honestly answering this questionnaire, you help conduct significant research. You will remain completely anonymous. The survey takes about 6 minutes and is administered by Copenhagen Business School, Denmark. Thank you for your participation☺.

Germany as a car manufacturer

I think that buying a **German car** is:

Bad							Good
1	2	3	4	5	6	7	
☐	☐	☐	☐	☐	☐	☐	
Negative							Positive
1	2	3	4	5	6	7	
☐	☐	☐	☐	☐	☐	☐	
Unfavorable							Favorable
1	2	3	4	5	6	7	
☐	☐	☐	☐	☐	☐	☐	
Not worthwhile							Worthwhile
1	2	3	4	5	6	7	
☐	☐	☐	☐	☐	☐	☐	

How do you feel about **German cars**?

Dislike							Like
1	2	3	4	5	6	7	
☐	☐	☐	☐	☐	☐	☐	
Unpleasant							Pleasant
1	2	3	4	5	6	7	
☐	☐	☐	☐	☐	☐	☐	
Repulsion							Attraction
1	2	3	4	5	6	7	
☐	☐	☐	☐	☐	☐	☐	
Uncomfortable							Comfortable
1	2	3	4	5	6	7	
☐	☐	☐	☐	☐	☐	☐	

The following questions relate to Germany as a car manufacturer.

How much do you relate the below attributes to **Germany** as a car manufacturer?

When you think about buying a car from **Germany**, would the below attributes be negative or positive?

Not at all						Very much		Very negative						Very positive
1	2	3	4	5	6	7		1	2	3	4	5	6	7
☐	☐	☐	☐	☐	☐	☐	**Scandal/Corruption**	☐	☐	☐	☐	☐	☐	☐
☐	☐	☐	☐	☐	☐	☐	**Trustworthy**	☐	☐	☐	☐	☐	☐	☐
☐	☐	☐	☐	☐	☐	☐	**Safe cars**	☐	☐	☐	☐	☐	☐	☐
☐	☐	☐	☐	☐	☐	☐	**High efficiency**	☐	☐	☐	☐	☐	☐	☐
☐	☐	☐	☐	☐	☐	☐	**Ambitious working attitude**	☐	☐	☐	☐	☐	☐	☐
☐	☐	☐	☐	☐	☐	☐	**Value for money**	☐	☐	☐	☐	☐	☐	☐
☐	☐	☐	☐	☐	☐	☐	**Technologically advanced**	☐	☐	☐	☐	☐	☐	☐

Copenhagen Business School

Please indicate how much you agree with the following statements about **Germany**.

	Strongly disagree 1	2	3	4	5	6	Strongly agree 7
1. I would talk up **German** cars	☐	☐	☐	☐	☐	☐	☐
2. I would bring up **German** cars in a positive way in conversations	☐	☐	☐	☐	☐	☐	☐
3. I would speak favorably about **German** cars	☐	☐	☐	☐	☐	☐	☐
4. I would recommend **German** cars to other people when asked	☐	☐	☐	☐	☐	☐	☐
5. I would continue to buy **German** cars even if the prices were increased	☐	☐	☐	☐	☐	☐	☐
6. I would pay a higher price for **German** cars than for cars from other countries	☐	☐	☐	☐	☐	☐	☐
7. I would be willing to spend more money for a German car than for a similar car from another country	☐	☐	☐	☐	☐	☐	☐
8. I would buy a German car even if it was more expensive than most other cars	☐	☐	☐	☐	☐	☐	☐
9. I intend to buy a German car in the future	☐	☐	☐	☐	☐	☐	☐
10. It is very likely that I would choose a **German car**	☐	☐	☐	☐	☐	☐	☐
11. I will purchase a **German car** the next time I need one	☐	☐	☐	☐	☐	☐	☐
12. I plan to buy a **German car** at some point in the future	☐	☐	☐	☐	☐	☐	☐

Gender ☐ Female ☐ Male

Age
- ☐ 18 - 29
- ☐ 30 - 39
- ☐ 40 - 49
- ☐ 50 - 64
- ☐ 65 +

Nationality _____

Have you ever owned a **German car**? ☐ Yes ☐ No