M.Sc. in Economics and Business Administration
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*Master's Thesis*

# The Country-of-Origin Image and Consumer Trust Development:
A Quantitative Analysis of the Relationship between Country-of-Origin Image and Narrow-Scope Trust

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# Abstract

***Purpose:*** The current study investigates whether country image perceptions of consumers exert an influence on the formation of narrow-scope trust in companies from the respective country, by also examining antecedents, outcomes and moderators of the hypothesized relationship. Specifically, the aviation industry and the Egyptian airline *EgyptAir* serve as a research context.

***Methodology:*** This study employs a quantitative research method. After reviewing relevant secondary data, primary data is collected by means of a self-administered online survey targeting end consumers. Further, to identify relevant variables that are to be tested in the questionnaire, two pre-tests have been conducted, in the form of an online survey and a focus group discussion. Eventually, established hypotheses have been tested by performing eight linear regression analyses.

***Findings:*** Study results indicate that country-of-origin image perceptions seem to have an impact on the formation of narrow-scope trust. Further, an enhanced trust level leads to a greater willingness to buy and willingness to pay, whereas performance risk perceptions and feelings of anxiety evoked in consumers are reduced. Moreover, word-of-mouth is identified as a driver of a country-of-origin image, while media exposure is negatively related to a country's image. Cultural openness does not exert any influence on country image formation. Lastly, broad-scope trust and lay rationalism do not moderate the relationship between country-of-origin image and broad-scope trust.

***Research Limitations:*** The study is limiting its scope to the chosen variables of the research framework. Further limitations include methodological constraints, in the form of non-probability sampling techniques and possible response biases, potentially impeding the generalizability of results.

***Practical Implications:*** Managers should be aware that the image of a company's country-of-origin has direct influence on consumers' development of narrow-scope trust. Consequently, measures should be undertaken to either leverage a good country image or distract from an unfavourable one.

**Keywords**: Country-of-origin image, narrow-scope trust, consumer behaviour, EgyptAir

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# 1. Introduction

The first section of this academic work aims to introduce the reader to the two main topics of the following research, namely country induced predispositions and the development of trust. It will start by providing background information about the research topic, followed by the motivation for this work and the formulation of the research question, which serves as a basis for this study. The chapter continues with a short outline of the structure and addresses delimitations, framing the scope of this current work.

## 1.1. Background

*"An Italian wine is bought for the simple fact of being Italian. There is a different image linked to the territory compared to other products from other countries. There is consumer awareness that Italy is an inexhaustible source of flavours, recipes, and fragrances"*
*(Pegan et al., 2019)*

For decades, researchers tried to understand the impact that a product's country of origin has on consumers' evaluation, as well as on purchase behaviour in general. Although the fostering of global trade and foreign manufacturing in today's economic environment gives little transparency about the true product origin, multiple studies proved that the image of the country of origin does indeed affect consumer behaviour, both in developing and developed countries.

In 2012, approximately one quarter of consumers based their purchase decisions on origin information (Melnyk, Klein, & Völckner, 2012). The country image comprises overall attitudes towards the people of the country, as well as perceptions regarding the predominant social, economic and political system of the country in question. Preconceptions can also be developed based on stereotypical beliefs, like for instance, that German workmanship is highly reliable and detail-oriented and therefore, German cars are of high quality. Similarly, France is well-known for competitive cosmetic products and Italy is perceived as a frontrunner in the fashion industry. While for some countries, their origin beholds a significant competitive advantage, others have to offset their initial position and to "[…] actively build […] nation equity to promote exports, attract foreign investment, and encourage tourism by sponsoring international events or broadcasting commercials" (Chen, Mathur, & Maheswaran, 2014, p. 1045). Likewise, several other aspects can lead to product evaluations based on the country of origin like for instance, how familiar consumers are with a product or a product category, if they have an affective preference for local products, hostility towards foreign countries or an inclination towards more international lifestyles. Country-biases can also arise depending on whether a product is from a developed or developing country. Empirical research identifies that consumers from developed countries tend to prefer domestic over foreign products, while consumers from developing countries favour the opposite (Batra, Ramaswamy, Alden, Steenkamp, & Ramachander, 2000; Rosenbloom & Haefner, 2009). This might cause significant issues for companies as, "[...] according to the Organisation for Economic Cooperation and Development, emerging economies will account for nearly 60% of the world's gross domestic product by 2030" (Melnyk et al., 2012, p. 22).

So, what if a company from a country with a rather difficult image offers, against predominant beliefs, a high-quality product or high-quality service? What if suspicious thoughts, insecurities and risk aversion cause a lack of trust in a company and its brands, keeping consumers from choosing its offering and thereby damaging the company's competitive position on the market? While a significant amount of academic literature deals with consumer attitudes towards brands and products of local versus non-local origin, little research exists on the potential influence of the country-of-origin effect on consumers' creation of trust in specific entities (narrow-scope trust). From a psychological and sociological perspective, trust is perceived as one of the key characteristics of close relationships (Rotter, 1980), especially when facing uncertainties or risks. From an economic perspective, several researchers emphasise trust as being the "[…] most important attribute any brand can own" (Brainbridge, 1997; Delgado-Ballester, Munera-Alemain, & Yague-Gullien, 2003, p. 2; Smith, 2001).

Therefore, the purpose of this study is to investigate the relationship between the country-of-origin effect and narrow-scope trust formation. Further, variables acting as antecedents, outcomes or moderators of this relationship will be tested, as these might provide significant implications for both theory and practice.

In order to research the topic and to uncover potential relationships between the chosen constructs, a quantitative research method is selected. Specifically, the empirical research of this current study focuses on the airline industry and consumers' decision making when purchasing flight tickets of foreign airlines. The purchase of flight tickets "[…] is perceived as high in personal importance and involves comparatively higher amounts of risk" (Patterson, 1993), as customers' well-being depends on the airline's safety standards and expertise. Therefore, investigating the potential influence of country image perceptions within the context of the airline industry in particular promises interesting insights to consumer behaviour and trust development. Further, directing this research towards service industries provides an even higher contribution to existing academic literature within this field, as most research done on the country-of-origin effect focuses on product industries.

Following this logic, the Egyptian airline EgyptAir is selected as a reference company for quantitative research. Based on the researchers' own perception as well as the results of a quantitative pre-test, EgyptAir is identified as an appropriate case company, for the following reasons. First, EgyptAir is a well-established company of a fairly large size. Founded in 1932 and headquartered at Cairo International Airport, EgyptAir offers services to over 75 destinations worldwide. Carrying over seven million passengers, the airline recorded revenues of 35,778 million EGP in 2018, which is equivalent to 15.6 billion DKK (EgyptAir, 2018). Furthermore, the airline is a member of Star Alliance and the Arab Air Carrier Organization. Both these institutions demand high safety and quality standards. Second, the company's origin country Egypt is oftentimes associated with a negative image, which is confirmed by pre-test results (Appendix A2). This might emerge from political or economic reasons, consumers' personal experiences with the culture and its people, or general perceptions about safety. A country image that is perceived as predominantly unfavourable serves as an important basis for empirical research in this study, as it helps to uncover its potential effects on the formation of narrow-scope trust. Since the preconceptions an individual hold about other countries might be dependent on one's own home nation, the target population of this study is reduced to German citizens only.

## 1.2. Motivation

Despite the fact that the country-of-origin effect has become one of the most popular marketing research subjects, with more than 1,000 publications (Samiee & Chabowski, 2012), there are three major motives underlying this current research.

First, while the country image cue and its influence on consumer behaviour have been subject to extensive research, authors from several fields of study agree that research within this field provides a multitude of conflicting findings (Josiassen, Lukas, Whitwell, & Assaf, 2013), that some findings are rather speculative and limit drawing of clear conclusions (Han, 1989; Verlegh & Steenkamp, 1999; Verlegh, Steenkamp, & Meulenberg, 2005) and that the phenomenon is still not fully understood (Peterson & Jolibert, 1995). Further, trust and trust creation have long been considered one of the most important factors for the formation of interpersonal relationships (Moorman, Zaltman, & Deshpande, 1992), for the development and preservation of functioning markets (Morgan & Hunt, 1994; Selnes & Sallis, 2003) and as a key driver for economic growth (Horvath, 2013; Zak & Knack, 2001). Therefore, it seems reasonable to empirically investigate a potential relationship between the two variables and to expect findings to be of relevance for both academic literature and management practice.

Second, even though researchers from different fields agree on the importance of trust for businesses, only little research addresses the influence which country image might have on the development of trust directly (Rosenbloom & Haefner, 2009) or indirectly. Further, the existing academic literature within this particular gap, as well as the majority of country-of-origin literature in general (Hong & Wyer, 1989), limits its research aspirations to the context of product industries and thereby, neglects the service sector. As the service industries differ significantly from product industries due to the nature of offerings, the purchase of services involves a greater (perceived) risk compared to buying a tangible product (V. W. Mitchell & Greatorex, 1993; Yavas & Tuncalp, 1985). Besides other characteristics, especially the intangibility of the offerings is seen as a major factor promoting uncertainty throughout the purchase-decision process, since consumers are not able to evaluate the service prior to consumption (De Ruyter, Wetzels, & Kleijnen, 2001; McDougall & Snetsinger, 1990). Third, personal interest in country-induced predispositions and consumer behaviour have inspired this study. Potential managerial implications arising from findings of this academic work for service companies from an origin with a rather unfavourable country image seem to behold promising and valuable insights.

## 1.3. Problem Formulation

This study aims to fill the above outlined research gap, while generating practical insights for service providers who target an international consumer base.
Specifically, it investigates the hitherto unexplored relationship between country-induced predispositions and the development of trust in a company or, more specifically, in its brands. Consequently, the research question of this study is formulated as follows:

*Does country-of-origin image influence the formation of narrow-scope trust?*

In order to provide a comprehensive and holistic understanding on this topic and increase its strategic relevance, the following sub-questions will further be investigated:

I. *Which antecedents drive a possible relationship?*
II. *Is the relationship between country-of-origin image and narrow-scope trust moderated by either trust in a broader business context or rational inclinations of consumers (or both)?*
III. *What potential outcomes are associated with an enhanced narrow-scope trust level?*

By shedding light on these questions, this academic work contributes to existing international marketing literature on consumer behaviour, the country-of-origin effect and trust formation. Building on prior research in these fields, a research framework is developed, and postulated hypotheses are empirically tested. Focusing on the airline industry, this research will further adopt an end consumer perspective, by analysing country perceptions evoked in the end-consumer and therefrom resulting behavioural changes and attitudes.

## 1.4. Structure

The structure of this research is organized as follows. First of all, a comprehensive literature review is provided, serving as a theoretical foundation for this academic work. Hereby, special attention is paid to the country-of-origin image, its effects, as well as the development of consumer trust. In the third chapter, the established research framework is presented, including an introduction of the tested constructs. Building on prior work conducted in the field of interest, meaningful hypotheses are derived. The fourth chapter provides transparency on the methodological procedures applied in this research, followed by a data analysis. Subsequently, theoretical and practical implications of the derived findings are discussed and recommendations for future research are outlined. Lastly, a short conclusion is drawn.

***NOTE:*** As part of the CEMS Master in International Management double-degree program with CBS and in collaboration with the same supervisor, one of the two co-authors of this work conducted an independent research project with the title *'The Country-of-Origin Effect and its Influence on Brand Trust. A Literature Review'* prior to this current study. The research project serves as a pilot study to this work, as intended by the two formally separated master programs. Therefore, parts of the introduction (section 1) and parts of the literature review (section 2) of this current work were directly adopted from the indicated research project. This is in line with formal regulations of both the CBS Master Program and the CEMS Master Program and is therefore not subject to self-plagiarism, as indicated by the following extract from the official CBS Course Catalogue:
*"Due to the formal separation of the MSc degree and the CEMS MIM degree, CBS has decided that the research paper is exempt from the rules concerning self-plagiarism in order to allow that the text produced for the CEMS Research Project paper may be integrated in the subsequent MSc thesis at CBS"* (CBS Course Catalogue, 2020).

## 1.5. Delimitations

This current research is subject to several delimitations. First of all, the geographical scope of this study is limited to German citizens only. The reason for this decision is twofold. First, different nationalities might hold different preconceptions towards a specific country, its respective people and products, depending on factors such as geographical and cultural distance. Second, nationalities might exert a differing degree of consumer ethnocentrism, referring to their tendency to be "[...] ethnically centred [...]" and their willingness to accept the "[...] culturally unlike [...]" (Durvasula, Andrews, & Netemeyer, 1997, p. 75). With consumer ethnocentrism having a significant influence on attitudes towards and evaluations of foreign countries and their products and services, the inclusion of diverse nations in the target population could have led to an inconsistency in answers and therefore distorted results. Further, Doney et al. (1997) claim that trust and culture are closely interrelated, with trust formation, as well as its antecedents and effects being determined by culture, which can significantly differ across nations.

For this reason, as well as to narrow the scope of this study, the research team decided to focus the quantitative research on their respective home country, namely Germany. Besides geographical limitations, the scope of this study is limited to the service sector and therefore, empirically tested in the context of the airline industry. As previous researches are largely focusing on country-of-origin effects in product industries, a focus on the service sector is potentially yielding an interesting contribution to existing academic literature.

# 2. Literature Review

This literature review aims to provide a comprehensive overview of the most significant academic studies dealing with the country-of-origin and its influence on consumer behaviour, as well as their findings and limitations. Further, the effects of origin image on salient aspects of the development of human trust in general and on brand trust in particular will be outlined. This literature review represents the foundation of the study and provides a better understanding of relevant research gaps and of how this work contributes to the existing literature stream.

In the first section, this review is structured according to whether academic literature addressed the country-of-origin effect and its components (section 2.1.1.), the influence of the country-of-origin effect (section 2.1.2.) or factors that affect the country-of-origin effect (section 2.1.3.). In the second section, literature on factors influencing the development of trust will be presented (section 2.2.1.), as well as several researchers' perspectives on different forms of trust and brand trust in particular in the context of the country-of-origin discussion (section 2.2.1. and 2.2.2.).

## 2.1. The Country-of-Origin Effect

When customers are interested in purchasing a product or service, several factors are relevant to their decision-making process. According to the Cue Utilization Theory, products consist of a number of cues that influence customer's perception of the product quality (Cox, 1967; Olson, 1972; Olson & Jacoby, 1972; P. Richardson, Dick, & Jain, 1994). Research classifies such cues as being intrinsic or extrinsic to the product based on whether the attribute is part of the physical product (intrinsic) or not (extrinsic). The former "cannot be manipulated without also altering physical properties of the product" (P. Richardson et al., 1994, p. 29) like for instance the ingredients that go into a cake, while the latter "can be manipulated without changing the physical product" (Verlegh & Steenkamp, 1999, p. 523) like for instance the product's price or the brand name. The country of origin is an extrinsic cue that acts like an 'indicator' for customers to develop an opinion about and/or a feeling towards a product (e.g., Steenkamp, 1990; Dawar & Parker, 1994).

Since Dichter (1962) found that a product's country of origin could have a "tremendous influence on the acceptance and success of products" (p. 116), this argument has been subject to a large number of studies. He was the first researcher to officially assume a relationship between a product's commercial attractivity and country-specific aspects of its origin, followed by an extensive series of research within this field. A few years later, Schooler (1965) discovered as first researcher that "an attitude towards the people of a given country is a factor in existing preconceptions regarding the products of that country" (p. 396). Since then, several studies endorsed that consumers use country-of-origin information when evaluating a product (Hong & Wyer, 1989; Obermiller & Spangenberg, 1989; Peterson & Jolibert, 1995). However, Peterson's and Jolibert's (1995) research demonstrated that "[…] country-of-origin effects are only somewhat generalizable" and they concluded that "the phenomenon is still not well understood" (pp. 894-895). Several authors agree that the concept has not been explored to a sufficient extent (Chen et al., 2014; Verlegh & Steenkamp, 1999), that "[…] conflicting empirical results" (Josiassen et al., 2013, p. 253) complicate the drawing of clear conclusions, that research findings can be affected by the underlying research design (Verlegh & Steenkamp, 1999) and context-specific factors (Josiassen, Lukas, & Whitwell, 2008) and that the interpretations of some research findings are still to be considered speculative (Han, 1989). For instance, some relevant studies limit their empirical data collection to only one nation, making it difficult to transfer significant findings to other national contexts (Josiassen et al., 2008). Other studies limit their research only to product industries, neglecting that in 2018, the service sector accounted for 65 % of the worldwide gross domestic product (World Bank, 2018). Moreover, as international markets changed drastically over the last years and new business models emerged all over the world, some researchers began to question both the magnitude of origin-image information in consumers' evaluation process and consumers' actual level of knowledge about the origins of the products that they buy (Chen, 2004; Samiee, Shimp, & Sharma, 2005a; Thakor & Lavack, 2003).

### 2.1.1. Components of the Country-of-Origin Effect

When consumers prefer one product over another and base their judgments on the origin of the products, this bias is named country-of-origin effect (also referred to as 'country-image effect' or the 'made in effect'). This multidimensional construct refers to the image of a country, often defined as "the total of all descriptive, inferential, and informational beliefs that a consumer has about a particular country" (Martin & Eroglu, 1993). While some researchers described it as "the most researched international aspect of consumer behaviour" (Tan & Farley, 1987, p. 540) others went even further and called it "one of the most widely studied phenomena in all the international business, marketing, and consumer behaviour literatures" (Peterson & Jolibert, 1995, p. 883) combined.

Most commonly throughout academic literature within this field, when authors talk about the 'country of origin' they mean the country where a product has been manufactured (Melnyk et al., 2012). Since the U.S. Customs Service issued a new law requiring a more detailed demarcation of imported products in 1996, the 'made in' label was replaced by a 'multiple affiliations' label. This new label "allowed for differentiation between an imported product's country-of-design (COD), country of parts (COP), country of assembly (COA), and country of manufacture (COM)" (Chao, 2001) and was an attempt to deal with the growing complexity of global production and trade.

A considerable amount of literature has been published on what factors lead to the country-of-origin effect, its influence on customer behaviour and its relevance for global businesses and entire industries. When analysing how the country of origin affects consumer's evaluation of products or services and determines their purchasing behaviour, several researchers interpret the country image (directly or indirectly) as a 'halo' used by subjects to infer attributes to an unknown brand (Bilkey & Nes, 1982). More specifically, Han (1989) found that the less familiar consumers are with products of the country in question, the more likely they will exhibit this type of behaviour. Indirectly, this influences the consumer's perception of the brand in general. In contrast, the country image can also be seen as a 'summary construct', comprising consumers' impressions about a product's characteristics, if subjects are more familiar with the country's products in general. Other researchers argue that "this conceptualization is based on the theory of limited processing capacity, which posits that, as a result of the limited capacity of our short-term memory, we tend to abstract and "chunk" information to facilitate its storing in and retrieval from the long-term memory" (Laroche, Papadopoulos, Heslop, & Mourali, 2005, p. 99; Miller, 1994). Either way, Han

(1989) found that this summary construct has direct influence on how consumers perceive the brand in question and their sentiments towards it.

In a recent study of Josiassen, Lukas, Whitwell and Assaf (2013), the researchers analysed several studies on consumer categorizations and suggested that “consumers make use of at least one of three country-related images when evaluating a product: the *basic-origin image* (BOI), the *product-origin image* (POI) and the *category-origin image* (COI)” (p.253). Further, these images can be either *input-sourced*, relating to all “people, skills and natural resources of an origin that go into making product offerings” (p. 254), or *output-sourced*, relating to the actual offer or product.

Studies adopting the *basic-origin perspective* draw generalizations based on the country of origin and form perceptions based on its residents as well as its social and economic level of development (Josiassen et al., 2013). Verlegh and Steenkamp (1999) found that while a country’s participation in multinational production arrangements had no significant effect on either consumers’ country of origin or product evaluations, differences in economic development had an impact. Studies using this solely *input-sourced* perspective consider the country image to function as a ‘halo’, rather than as a ‘summary construct’(Josiassen et al., 2013). In contrast, the majority of researchers within this field take the *product-origin perspective* as a basis for their work, defining country image through the reputation of products and services associated with it (Bilkey & Nes, 1982; Nagashima, 1970). Josiassen et al. (2013) point out “that the term ‘product’ in *product-origin* perspective refers to any product from an origin and not just one individual product” (p.254).

Compared to this perspective, the third and most recent stream of research is less inclusive, assuming that product biases originate from either the reputation of certain groups of products or from images connected to specific capabilities or characteristics of a product group. When adopting this *category-origin perspective,* products are divided into categories based on similarities and shared stereotypes. However, Alba and Hutchinson (1987) pointed out that there can be several groupings for the same product type based on consumer’s mental clustering of the product category. As an example, they mention that consumers can mentally divide cars into multiple categories, depending on the prestige level of the cars (e.g. premium cars or mid-range cars).

Further, the second and third perspective can be both *input*-and *output* sourced, or just one of the two types. Josiassen et al. (2013) emphasize that while a subject can attach multiple COI to a country, he or she "will attach only one BOI and only one POI to an origin and its products" (p. 256). The three constructs underlie a sequential relationship, meaning that for instance, how consumers evaluate products of an origin (POI) in general does influence how they perceive a specific group of products (COI) from that country (Josiassen et al., 2013; Parameswaran & Pisharodi, 2002).

**Cognitive, Affective and Normative Aspects**

In an attempt to further describe the country-of-origin effect and its components, Verlegh and Steekamp (1999) focused on *cognitive*, *affective* and *normative* aspects. Previous studies focused primarily on the country-of-origin as a *cognitive* information stimulus (like e.g. price) for consumers to infer the quality or quality related attributes of a product (Bilkey & Nes, 1982; Huber & McCann, 1982; Steenkamp, 1990). Verlegh and Steekamp (1999) divided customer's tendencies to utilize the 'Made in (country of origin)' information about a product in *product-related* and *product-unrelated* associations. Thereby, they built a foundation for subsequent research within this field (Chen et al., 2014; Kock, Josiassen, & Assaf, 2019). According to their study, the country of origin can be regarded as an image attribute, supporting consumers *affective* association of a brand or a good with a rich product-country imagery (Askegaard & Ger, 1998), exoticness (Li, Monroe, & Chan, 1994) and national identity (Fournier, 1998). Consumers can feel a strong emotional attachment towards certain brands and products based on their *performance-unrelated* personal experiences (e.g. past vacations) (Botschen & Hemetsberger, 1998) and their sympathy for a nation. Research found that such emotional attributes influence consumer perceptions and preferences significantly (Lefkoff-Hagius & Mason, 1993).

Furthermore, personal and social norms (*normative* aspect) can lead to consumers purchasing domestic goods, considering it morally appropriate to support the local economy of their own country (Shimp & Sharma, 1987). Schwartz (1975) emphasized that acting against one's individual norms can evoke feelings of guilt, while conforming to them is related to an emergence of pride. Accordingly, consumers may hesitate or even avoid purchasing products from countries that are known for their controversial governmental practices. Thereby, consumers actively 'vote' against a country's political situation and practices, expressing their resentment (Smith, 1990). Verlegh and Steekamp (1999) emphasized that in practice, customer preferences consist of an interplay of these *cognitive, affective* and *normative* impulses. For instance, *normative* perceptions are a construct of both *cognitive* and *affective* associations, encouraging or hindering information processing.

**Customer Ethnocentrism, Customer Animosity and Cosmopolitanism**

Several other endogenous country-bias concepts like customer animosity (J. G. Klein, Ettenson, & Morris, 1998), cosmopolitanism (Yoon, Cannon, & Yaprak, 1996) and customer ethnocentrism (Shimp & Sharma, 1987) are based on the notion that the country of origin influences consumer behavior. The concept of consumer animosity deals with consumer's negative impressions about particular countries based on a governmentally and economically unfavorable situation (e.g. war). Klein, Ettenson, and Morris (1998) found that these impressions could explain variations in consumers' origin-based evaluations. On the other hand, cosmopolitanism describes a group of consumers who is actively involved in different cultures and who seek international exposure, feeling no strong emotional connection to their home country (Hannerz, 1990; Yoon et al., 1996).

Besides some consumers' impression that it is their moral duty to support the local economies with their purchasing behavior, the concept of consumer ethnocentrism argues that subjects prefer domestic products regardless of whether they are superior to products from international sources (Shimp & Sharma, 1987). Orth and Firbasova (2003) showed that consumer ethnocentrism plays a significant role in predicting origin-based evaluations. Ethnocentric tendencies are based on *affective* elements like for instance the feeling of identification with certain values or the feeling of belonging to a social group (Shimp & Sharma, 1987). Research found that the degree of customer ethnocentrism depends on both psychological and demographic characteristics of individuals. From a psychological perspective, more ethnocentric consumers are for instance less open to different cultures (Shimp & Sharma, 1987), show patriotic behavior (Sharma, Shimp, & Shin, 1994) and materialistic tendencies (Olsen, Biswas, & Granzin, 1993). Describing the demographic characteristic of ethnocentric consumers, Josiassen, Assaf and Karpen (2011a) found that older consumers as well as female consumers tend to be more ethnocentric than younger consumers and male consumers. However, they note that older subjects also rely on their lifelong experiences, separating their stronger ethnocentric tendencies from their purchase intentions and needs. Further, they found that the level of income of a person does not influence his or her ethnocentric tendencies.

Besides these country-bias concepts, academic studies investigate several other drivers of origin-specific evaluations. Some researchers found that sub-cultural differences like different languages or geographic regions affect the relative importance of the country of origin when evaluating a product (Laroche, Papadopoulos, Heslop, & Bergeron, 2003). Other researchers investigated whether Hofstede's cultural dimensions (1984) could significantly explain origin-based evaluations. Therefore, Gürhan-Canli and Maheswaran (2000b) compared responses of both American and Japanese consumers and found that the cultural orientation dimension (individualism/ collectivism) explains country-of-origin evaluations to a significant extent. Insch and McBride (2004) assumed the same outcome when they suggested that differences in the degree to which consumers perceive social inequalities (power distance) could explain differences in product ratings of American and Mexican consumers. However, although Samiee, Shimp, and Sharma (Samiee et al., 2005) suggested that a country's gender orientation (masculinity/ femininity) and its influence on origin-based perceptions in different countries could be promising to empirically investigate, only individualism/ collectivism out of Hofstede's (1984) four principal cultural dimensions has been empirically related to country-of-origin evaluations to date (Gürhan-Canli & Maheswaran, 2000b; Pharr, 2005).

### 2.1.2. The Influence of the Country-of-Origin Effect

A number of researchers have reported that country-induced predispositions influence consumers' purchasing decision (Bilkey & Nes, 1982; Gürhan-Canli & Maheswaran, 2000; Kock, Josiassen, & Assaf, 2019; Verlegh & Steenkamp, 1999).
While some researchers believe that country image has an influence only on how customers evaluate specific product attributes (Erickson, Johansson, & Chao, 1984; Johansson, Douglas, & Nonaka, 1985), more recent studies found that it affects customers' overall evaluation of a product (Chen et al., 2014; Verlegh & Steenkamp, 1999). Verlegh and Steenkamp (1999) presented three important aspects that affect customers‘ judgment: the

product quality perceived by potential customers, the degree of purchase intention and their attitude toward the product. They found that the country of origin affects a customer's perception of a product's quality to a significantly higher extent than it affects a customer's attitude toward specific goods and their purchase intention. In fact, changes in quality perceptions are one of the most studied outcomes in country-of-origin image research (Josiassen et al., 2008).

One of the reasons might be that quality perceptions both reflect and further influence a country's general reputation and their perceived ability to manufacture desirable, high-quality products (Gürhan-Canli & Maheswaran, 2000b), making the issue especially relevant for resource-poor, developing countries (Bilkey & Nes, 1982) which aim to increase their export activities. According to Han (1989), a favourable country image can accommodate even companies offering inferior products as it can function as a 'summary construct'. However, this can have significant negative effects on the established country image, disadvantaging entire industries, as consumers adopt negative impressions and modify their perception of products or services from that particular country. Accordingly, Han (1989) emphasizes that "quality control is therefore necessary at the industry level as well as at the government level" (p. 228).

Furthermore, Peterson and Jolibert (1995) conducted a meta-analysis and concluded that nearly two-thirds (63%) of the country-of-origin effects that they examined focused on consumers' perceptions of product quality and reliability and less on their purchase intention. Several years later, Parameswaran and Pisharodi (2002) confirmed in their work on assimilations in the field of origin-image literature that there was no direct relationship of country of origin on purchase intentions to be found. Instead, country of origin impacted consumers' product evaluations which in turn affected their purchase intentions significantly. Similarly, Hui and Zhou (2002) emphasised the direct impact of country-of-origin image on product quality perceptions that they found and its indirect effect through product quality judgement on perceived value which in turn affected purchase intentions. While the country of origin only had an indirect effect on purchase intentions, other cues such as price and brand information had a direct and significant influence on this outcome. Therefore, the researchers confirmed Parameswaran's and Pisharodi's (2002) suspicions that the country of origin does not influence purchase intentions directly, concluding that in general, "the influence of COO is more likely to operate through other variables rather than directly on purchase intentions" (Pharr, 2005, p. 39).

The majority of recent studies indicate that product- or brand-based perceptions are more likely to be affected by country-of-origin evaluations and that origin information seems to mostly moderate purchase intentions directly (Pharr, 2005). However, Piron's (2000) research provided indications that the 'product type' can moderate country-of-origin effect on purchase intentions. When considering luxury products and publicly-consumed goods, the country of origin seemed to significantly affect consumers' purchase intention, whereas when testing privately-consumed goods or necessities, no significant effect was to be found (Pharr, 2005; Piron, 2000).

In order to get a more realistic picture of the factors that are subject to the country-of-origin effect and to examine possible moderators of the country-of-origin effect on product evaluations (Pharr, 2005), several researchers conducted studies including multiple cues. Thereby, they combined country of origin with other variables such as for instance price and/or brand name in their work (Pharr, 2005). Teas and Argawal (2000) confirmed that the country of origin influences product quality perceptions significantly and directly along with the other extrinsic cues brand name and price. While the other two cues were identical in the degree of influence they had, price showed the strongest influence (Pharr, 2005).

In contrast, when tested together with other extrinsic cues, some studies found that country of origin is relatively insignificant in explaining either purchase intentions or product assessment (Ahmed et al., 2004; Hui & Zhou, 2002; C. Lin & Kao, 2004). For instance, Hui and Zhou (2002) found that price and brand name directly affect purchase intentions, while the country of origin seemed to have no influence. However, the authors emphasised that it might be premature to underestimate the role of origin information, acknowledging the complexity of the country-of-origin effect and resulting behavioural consequences. Further, the results showed that origin information had „an indirect effect [through product evaluation] on perceived product value, which in turn determined purchase intention" (Hui & Zhou, 2002, p. 95).

In an attempt to provide explanations for these different findings when testing for multiple cues simultaneously, research on cue consistency argued that the interaction between the country-of-origin information and, for instance, price information affects product quality perceptions only when the cues are consistent (Miyazak, Dhruv, & Ronald, 2005; Speece &

Nguyen, 2005). A high price cue has a significant impact only when the country-of-origin image is positive or strong. Similarly, a strong and positive country of origin has no significant impact on the perceived product quality when the price is low. Miyazaki, Grewal, and Goodstein (2005) suggested that when consumers are exposed to consistent multiple cues, these cues interactively influence consumers' judgement rather than their singular meaning.

**Importance of the Country-of-Origin Effect for other Attributes**

Further, Hong and Wyer (1989) found that the country of origin affects the magnitude of attention consumers pay to other attributes of a product and fosters the extent to which subjects process provided product information in general, given certain conditions. If a subject is expected to solely process information (comprehension condition) and not to specifically evaluate a product (impression-formation condition), "conveying the product's country of origin before describing its specific attributes increased the influence of these attributes on product evaluations" (Hong & Wyer, 1989, p. 184). In contrast, the researchers found that under impression-formation conditions, subjects utilized other product characteristics for their product evaluation, regardless of whether they were given origin information or not.

Hence, country-of-origin information does not replace other product attributes and their importance in the consumer's product evaluation process (Hong & Wyer, 1989; Johansson et al., 1985). Bodenhausen and Lichtenstein (1987) found that the more difficult an evaluation task is to consumers, the more they tend to make use of category-based characteristics. Hong & Wyer (1989) therefore speculated that the country-of-origin effect could be higher, if more and more complex information about a product's characteristics would have been accessible to the audience. Either way, they demonstrated that knowledge about the origin of a product affected the evaluation of the product, regardless of whether the information was placed at the beginning of the end or a list of the product attributes.

### 2.1.3. Moderators of the Country-of-Origin Effect

International marketing literature finds several context-specific factors that moderate the country-of-origin effect when consumers evaluate a product. While product familiarity

(Johansson et al., 1985) and product involvement are mentioned to have significant influence on the importance of a product's origin and its image, research also emphasizes product origin congruency, stereotypes, demographics and brand information to have an impact.

### Brand and Brand-related Constructs

Numerous studies examined brand and holistic brand-related constructs (e.g. brand image) as moderators of the country-of-origin effect, besides the most popular cues brand name and price. Jo, Nakamoto, and Nelson (2003) concluded that a brand's image can 'protect' against the influence of negative country-of-origin judgements, especially for brands with higher quality images. In these cases, significantly fewer negative changes in quality perceptions occurred, even if products of these brands were associated with a lower-quality reputation or were produced in countries with rather negative images.
Lin and Kao (2004) emphasised the importance of the considered brand by providing evidence that country-of-origin evaluations develop rather through 'brand equity' and influence product evaluations and purchase intentions indirectly. Additionally, they found that the country-of-origin effect on 'brand equity' was moderated by different product-based variables like for instance product familiarity or product complexity. Looking into foreign brand names, Chao, Wührer and Werani (2005) found that if companies use brand names in languages different to the one spoken by the targeted consumers, product evaluations based on the country of origin were less favourable. In an attempt to explain this finding, the authors suggested consumer ethnocentrism as a possible explanation, although no tests were conducted to prove this assumption. All these findings indicate that country-of-origin evaluations "[…] may indeed operate through a brand-based construct rather than directly on product quality evaluations or purchase intentions" (Pharr, 2005, p. 38). While a brand's name and a product's price are extrinsic cues influencing the country-of-origin effect, researchers found other product-specific individual factors such as the type and degree of involvement and the degree of product familiarity to also have a significant impact.

### Product Familiarity

Product familiarity "[…] refers to how familiar a consumer is with a given product category" (Josiassen et al., 2008, p. 424). The direction of the relationship between the country-of-origin effect and product familiarity depends on researchers' underlying assumptions (Josiassen et al., 2008). Throughout the relevant literature within this field, product familiarity is perceived to have a different influence on the usage of the country-of-origin image in product evaluations, depending on whether authors perceive the origin image to work as a 'halo' (Hong & Toner, 1989; Li, Murray, & Scott, 2000) or a 'summary cue' (Johansson, 1989; Phau & Suntornnond, 2006).

According to several studies written under the 'halo' assumption, consumers who are familiar with products or product categories from a specific country rely less on the country image, but rather develop their attitudes based on personal experiences with similar products (Hong & Toner, 1989; Johansson et al., 1985; Tse & Gorn, 1993). Findings of a recent study conducted by Josiassen et al. (2008) support this perspective and emphasize the relevance of the origin image in the decision making process when subjects are less familiar with a product category (Josiassen et al., 2008).

In contrast, other researchers operating under the 'summary cue' assumption, propose that being familiar with a product category and its origin is exactly the reason why subjects would utilize origin information more, rather than less. According to Johansson (1989), the underlying idea is that consumers would trust in their own personal experiences and use those as a 'summary' cue to form their judgement. However, Phau and Suntornnond (2006) emphasize that a high degree of product familiarity is required for this to hold true.

On a different note, Insch and McBride (2004) found that the country-of-origin cue was perceived as more important for the consumers' product evaluation process when subjects showed an increased product familiarity. However, the directionality (positive versus negative) of the relationship depends on the product itself, as "product familiarity tended to have a more positive influence on product evaluations for more complex products less frequently purchased and a more negative influence for simpler products purchased more frequently" (Pharr, 2005, p. 38)

### Level of Consumer Involvement

While product familiarity certainly has an impact on the magnitude of the country-of-origin effect and thus, on consumer's evaluation processes, numerous studies showed that the degree of involvement and motivation in accepting a persuasive message determines how the message is received (Chaiken, 1980; Petty & Cacioppo, 1979).

Product involvement refers to "the general level of interest in the object or the centrality of the object to the person's ego structure" (Day, 1970, p. 10). According to persuasion research and the Elaboration Likelihood Model, consumers process information by utilizing two different "routes" in order to form attitudes. These routes are labelled to be either 'central' (considering the advantages and disadvantages of an issue) or 'peripheral' (associating the issue with simple positive or negative cues), depending on the degree of involvement (Petty & Cacioppo, 1984). In other words: if certain subjects, who are unmotivated to critically assess relevant information, are faced with a low-involvement purchasing decision, researchers found that these consumers tend to utilize simple decision-making processes (central route) which require minimum effort. For instance, a brand name that is well-known for its satisfying product quality offering can represent this kind of mental shortcut in a customer's decision-making process (Gürhan-Canli & Maheswaran, 2000b). Equally, the country of origin of a product is (in most cases) an easily accessible piece of information that consumers can base associations and inferences on, leading to their product judgment (Gürhan-Canli & Maheswaran, 2000b; Maheswaran, 1994; Verlegh et al., 2005). Recent studies support this line of argumentation, identifying the country of origin to be utilized as a salient cue when they are less involved with a product (Josiassen et al., 2008). Under high involvement, subjects are more likely to treat country-of-origin information as one of many relevant product characteristics that they consult for their evaluation (Josiassen et al., 2013; Maheswaran, 1994; Verlegh et al., 2005).

However, other researchers propose the opposite conclusion, stating that the more consumers are involved with a product, the more likely they are to not only use external cues like price but also seek additional information like the country of origin of the product to form their judgement (Ahmed et al., 2004; D'Astous & Ahmed, 1992). Further, researchers believe that under this condition, consumers will conduct the sourcing and assessment of information more carefully, resulting in higher cognitive effort.

**Product Origin Congruency**

According to Chao (1993), most traditional literature on the country-of-origin effect is based on the assumption that a product can be allocated to one specific origin, disregarding that more and more international strategic alliances and multi-origin products emerged in response to global competition. As globalization proceeds worldwide and as "product country association[s are] no longer just a single- country phenomenon" (Chao, 1993), another factor that influences the country-of-origin effect is product origin congruency, referring to the level of congruency between the two or more countries involved in the production of a certain multi-origin product (Chao, 2001; Josiassen et al., 2008).

Osgood and Tannenbaum (1955) were the first to investigate the effect of congruency in this field, building on the notion that a lack of congruence throughout considered information fosters dissonance. Following this logic, "congruent information will be preferred and relied on to a greater extent" (Josiassen et al., 2008, p. 428). Accordingly, Josiassen et al. (2008) found that the more disposable information points in the same direction (high product origin congruence), the more important is the origin image to consumers' judgment of a product, which supports prior research findings within this field (Chao, 2001).

However, research on brand origin recognition found that oftentimes consumers have limited to no knowledge about the actual origin of a product, especially as for instance a product can be designed in one country and later on manufactured in a different country. This indicates that "consumers either have limited recognition of brand origins, or find such information relatively unimportant and thus unworthy of retention in memory" (Samiee et al., 2005, p. 392). Building on these realizations, researchers found that some companies that engage in multinational production make use of consumers' unawareness by highlighting their country of design (often being the country where the company's headquarter is located) as the origin of a product, although the country of assembly differs, often being a less-developed country encouraging a negative country-of-origin effect (Chao, 1998; Verlegh & Steenkamp, 1999).

**Stereotypes**

In line with the assumptions made around congruency, Roth & Romeo (1992) argued that for a customer to believe that a product meets certain qualitative expectations, the product has to match his or her stereotypical perceptions about its country of origin. In other words, it has to seem plausible that the workforce of the country of origin has the required expertise and skillset to manufacture the considered product. For instance, a positive impression about German cars might be rooted in the stereotypical idea that German workmanship is trustworthy and accurate (Verlegh & Steenkamp, 1999).

In a more recent study by Chen, Marthur and Maheswaran (2014), the researchers found that this concept affects customer's predisposition towards similar products as "consumers use stereotypical country-related product […] associations as a summary cue to evaluate similar products from the target country" (p.1033). As an outcome, "positive (vs. negative) product stereotypes lead to more (vs. less) favourable product evaluations" (p. 1034). For instance, consumers may hold positive associations with most French luxury products, as France is well-known for high-fashion and design (Leclerc, Schmitt, & Dubé, 1994).

On a different note, Parameswaran and Pisharodi (2002) found that while evaluations of the country of origin were affected by the degree of stereotype assimilation, the impact that the country of origin had on product evaluations and purchase intentions developed irrespective of stereotype assimilation. These findings suggest that stereotypic beliefs act more like a precursor to country-of-origin evaluations, raising questions about the exact relationship that is yet not sufficiently understood.

**Demographics**

Several studies proved that demographic factors like the age, the gender, the level of education and the income level influence the country-of-origin effect in different ways (Josiassen et al., 2008). According to researchers like Bilkey and Nes (1982) and Schooler (1971) , males tend to rate products from foreign countries lower than females. Also, consumers with a lower level of education (Mittal & Tsiros, 1995) or a lower income level (Han & Terpstra, 1988) evaluate such products less favourable. Also, as mentioned previously, a consumer's age and/or gender can influence his/her level of ethnocentric tendencies (Josiassen, Assaf, & Karpen, 2011b), even if the consumer is willing to purchase foreign products in general. However, the impact of demographic factors on the country-of-origin effect demands further academic attention and investigation.

## 2.2. Country of Origin and the Role of Trust

While researchers investigated the country-of-origin effect extensively, not much literature deals with its impact on consumers' formation of trust. In academia, several disciplines such as sociology (Lewis & Weigert, 1985), psychology (Deutsch, 1960; Larzelere & Huston, 1980; Rotter, 1980) and economics (Andaleeb, 1992; Dwyer, Schurr, & Oh, 1987; R. Morgan & Hunt, 1994) studied trust. In consequence, literature presents several similar yet different definitions of this subject of multidisciplinary interest (Bradach & Eccles, 1989; Sabel, 1993). Moorman, Zaltman and Deshpande (1992) defined the relational form of trust as "[…] a willingness to rely on an exchange partner in whom one has confidence" (p. 315). Sabel (1993) focused on the behavioural intent of the other party when defining trust as "the mutual confidence that no party to an exchange will exploit another's vulnerabilities" (p. 1133). Both definitions are based on a notion of 'confidence' as an essential component of trust. Similarly, other definitions focus on certain attributes of the exchange partner like 'reliability' or 'integrity' (Morgan & Hunt, 1994, p. 23) as a requirement for the formation of trust. For instance, Rotter (1971) defined trust as "a generalized expectancy held by an individual or group that a word, promise, verbal or written statement of another individual or group can be relied on" (p. 1). Later on, Barney and Hansen (1994) introduced 'exploitation', 'hurt' and 'vulnerabilities' as significant components of the trust concept.

Similar to this, in a business context, parties of a transaction can be in a vulnerable position when for instance, the quality of a product or service is difficult to evaluate. The involved actors could become subjects to *adverse selection* (Akerlof, 1970) or *moral hazards* (Holmstrom, 1979), and find themselves in an unfavourable position. Therefore, customers' trust in a company to distance itself from opportunistic behaviour during an economic exchange can be the decisive factor to choose one offer over another, making trust a competitive advantage of ultimate importance to businesses (Barney & Hansen, 1994).

Common definitions of *trustworthiness* in the business context, on the other hand, rather focus on a company's ability to live up to the expectation of a consistently competent performance. Sako (1992) even defines "competence trust [as] a prerequisite for the viability of any repeated transaction" (p. 43), emphasizing its importance for consumer loyalty. Similarly, Morgan and Hunt (1994) identified trust to be, among others, a key factor to predict exchange performance and a significant moderator of relationship marketing. In other words, trust can be understood as a key driver of a relationship outcome like for instance, a consumer's purchase intention (Michaelis, Woisetschläger, Backhaus, & Ahlert, 2008) or a consumer's loyalty. Further, Berry (1995, p. 242) emphasises that "trust [is] perhaps the single most powerful relationship marketing tool available to a company," and Spekman (1988, p. 79) suggests that trust is the "cornerstone" of long-term relationships.

Especially in the service sector, trust is of utmost importance as the quality of a service can only be experienced after consumers trust enough in the company and its offering to actually try a service for the first time. Unlike products, services usually imply a higher level of credence qualities (Darby & Karni, 1973), which enhances a higher perceived risk. Therefore, service companies depend on 'initial trust', namely a high degree of trust at the initial phase of a relationship between two parties (McKnight, Cummings, & Chervany, 1998). Further, studies found that "the process by which trust develops appears to differ when the target is an organization [...] as opposed to an individual salesperson" (Doney et al., 1997, p. 45). Researchers like Romaniuk and Bogomolova (2005) and Fournier (1998) emphasised that over the years, relationship marketing further supported and fostered the transfer and adaptation of trust to brands.

### 2.2.1. Country of Origin and the Development of Trust

While the undisputed importance of trust in consumer-company relationships has been subject to extensive research, fundamental gaps remain with regard to the factors that foster or inhibit the formation of consumer trust (Sirdeshmukh, Singh, & Sabol, 2002). Although marketing instruments such as brands, trademarks, or guarantees have been found to foster trust development as they function as signals of desired product attributes (e.g. high quality) (Schurr & Ozanne, 1985), how trust is built in particular settings, like for instance throughout service industries (Suh, Janda, & Seo, 2006), requires further investigation.

Doney and Cannon (1997) found that the different modes in which trust can be created depend on national culture. On the one hand, culture determines the meaning, development and effects of trust, while on the other hand, trust is closely correlated with cultural differences across countries (Minkov & Hofstede, 2011), making it a central aspect of culture. The researchers distinguish between five processes that encourage the development and strengthening of consumer trust over time.

The *calculative process* is linked to Akerlof's (1970) Lemons theory, where trust is grounded in the belief that the other party refrains from opportunistic behaviour because the 'cost of being caught' would be too high. Rao and Bergen (1992) found that when companies pay very high prices to their suppliers, they increase the 'cost' for those suppliers of losing their client. Thereby, companies mean to ensure both a high level of quality and trustworthy behaviour of the other party. Similarly, consumers pay premium prices for certain products (or services), if they expect and trust those to be of high quality. They would be willing to leave a trusted company for its competition, if the trust relationship turns out to be flawed (Rao & Bergen, 1992). As the price is an extrinsic attribute of a product (section 2.1.), just like its country of origin, perceptions about a brand's origin are utilized by consumers in a similar way, namely, to ensure a certain level of product and service quality from a brand. Therefore, the origin image, which can be affected by, for instance, consumer's ethnocentric or hostile tendencies, can be assumed to affect the level of trust in a company and its brand.

The *prediction process* is based on repeated interaction with the other party, or in this economic context, with a company. According to Doney and Cannon (1997), the ability to forecast another party's behaviour, on the one hand, motivates repeated interaction and consequently, the formation of trust. On the other hand, it requires a solid evaluation of the other party's credibility. As mentioned in section 2.1., the country of origin of a company is shown to have significant influence on consumers' evaluations of its products and services. Thereby, Chao (Chao, 1993) found that consumers oftentimes possess limited to no knowledge about a product's actual place of manufacturing. As they tend to rely on the brand's origin instead, they use it as information to ground their perception of its product's or service's quality on (Verlegh & Steenkamp, 1999).

The *capability process* of developing trust relies on the ability of another party to live up to its commitments. Consumers can gain knowledge about a company's abilities either through their own experience with the brand or through the experiences of others, like for instance expert reviews or word-of-mouth. The country-of-origin effect can both foster or diminish a consumer's confidence in a company's competencies and its offerings based on the tendency to infer certain abilities just because the country of origin is well-known for, for instance, a reliable workforce. Thus, some consumers might be intimidated by stereotypes and a country's image and decide not to interact with a certain brand, nor to rely on third-party opinions about it, making the development of brand trust more difficult.

The *intentionality process* is based on the intentions of the other party and the ability of the trustor to identify those, respectively. Macneil (1980) found that positive assumptions regarding a subject's benevolent intentions can result from shared norms or values. Literature on consumer ethnocentrism argues that some consumers prefer to purchase domestic products and to rely on domestic service providers. As people with a similar cultural background tend to develop and share similar values and norms (Batra et al., 2000; Shimp & Sharma, 1987), one reason could be that ethnocentric consumers have higher trust in domestic companies, inferring that those companies share similar beliefs and principles, accordingly.

Finally, the *transference process* describes establishing trust as utilizing a "third party's definition of another as a basis for defining that other as trustworthy" (Strub & Priest, 1976, p. 399). Thus, the researchers suggest that, after a trustor establishes trust in a source that proved to be trustworthy, this trust can be transferred to another subject (e.g. to a person, a group, a brand) even if the trustor had little to no direct interaction with it (Milliman & Fugate, 1988; Strub & Priest, 1976). Applying this logic to a business context, if a well-trusted company acquires or partners with another unknown company, consumers would transfer their trust to the other company. Considering the country-of-origin effect, if the trusted company is of another origin than the new company, then consumers should be either less precautious (assuming a negative origin image of the new company) or even more willing to trust the new company (assuming a positive origin image). Either way, considering all the different processes mentioned above to develop trust, the country of origin could significantly influence consumer's degree of trust in a company or brand.

**Broad-Scope Trust and Narrow-Scope Trust**

Throughout literature, trust has long been understood as one of the most important factors for the development and preservation of functioning markets (Morgan & Hunt, 1994; Selnes & Sallis, 2003) and as a key driver for economic growth (Horvath, 2013; Zak & Knack, 2001). Thereby, one line of academic literature on trust in general and relationship trust in particular distinguishes between two kinds of consumer trust. Several researchers (Driscoll, 1978; Grayson, Johnson, & Chen, 2008) suggest that „trust relates not only to customer trust in individual companies [but also] to the broader business context in which customer–seller relationships may develop " (Hansen, 2012a, p. 350) The former, namely trust in individual entities, is referred to as *narrow-scope trust*, while the latter, namely trust in the broader business context, is referred to as *broad-scope trust.* Sirdeshmukh, Singh, and Sabol (2002) propose to further define *narrow-scope trust* as "the expectation held by the customer that the service provider is dependable and can be relied on to deliver on its promises" (Sirdeshmukh et al., 2002, p. 17). This definition is closely related to how Delgado-Ballester, Munera-Alemain, and Yague-Gullien (2003) define the concept of brand trust, as mentioned in section 2.2. To recall, they describe it as the "[...] feeling of security held by the consumer in his/her interaction with the brand, that it is based on the perceptions that the brand is reliable and responsible for the interests and welfare of the consumer" (E. Delgado-Ballester et al., 2003, p. 11). In light of these conceptualisations, it is reasonable to categorize brand trust as a specific form of *narrow-scope trust* and therefore, the terms will be referred to interchangeably throughout this research. Thus, previous research of both concepts, brand trust and the more general concept of *narrow-scope trust*, will be reviewed and serve as a base for this academic work.

Further, recent authors base their understanding of *broad-scope trust* on the often-cited and largely accepted definition of *narrow-scope trust* (Hansen, 2012a; Hansen, Grønholdt, Josiassen, & Martensen, 2000). Thus, according to Hansen (2012b) *broad-scope trust* can be defined as "[…] the expectation held by the customer that companies within a certain business type are generally dependable and can be relied on to deliver on their promises" (p. 350). Thus, while *narrow-scope trust* relates to consumer trust in individual companies, *broad-scope trust* focuses on the broader business context. In general, *broad-scope trust* is categorized throughout literature as either 'formal' or 'informal'. The definition presented above closely relates to what is called 'informal' broad-scope trust (also referred to as 'generalized trust'), focusing on one's generalized expectation that the promise of a group or of the entities of a system are reliable (Siegrist, Gutscher, & Earle, 2005). However, 'formal' *broad-scope trust* (also referred to as 'system trust') can be understood as "[…] the belief that proper impersonal structures are in place to enable one to anticipate a successful future endeavour" (Hansen, 2017, p. 162; McKnight et al., 1998). In this study, the definition of 'informal' *broad-scope trust* is considered, as being "[…] directly related to the behaviour of companies than formal trust […]" (Hansen, 2017, p. 163).

Further, as trust can be understood as a key driver of a relationship outcome (Michaelis et al., 2008), the development of *broad-scope trust* is not only in the interest of industries, but also in the interest of entire societies. Early on, North (1990) emphasizes that "[...] the inability of societies to develop effective, low-cost enforcement of contracts is the most important source of both historical stagnation and contemporary underdevelopment in the Third World" (p. 54). People need to be reassured that they can trust in the society they live in and its mechanisms. It is of such ultimate importance that Hansen et al. (2000) mention the relevance of citizens' trust in institutions as the main reason for the development of well-functioning regulations in societies in the first place. Literature confirms that a state of crisis can lead to a lack of trust in entire industries. For instance, the financial crisis of 2008 led to a loss in customers' trust in financial institutions in general (Uslaner, 2010). Zak and Knack (2001) find that low trust environments lead to a reduction of investments in general and such loss in consumer trust can have devastating consequences for entire economies. Hansen et al. (2000) emphasise that particular industries should follow the same logic and, in order to facilitate a higher level of *broad-scope trust*, they should consider improving self-regulatory mechanisms. The authors specifically investigated the role of *broad-scope trust* in the context of financial markets and found that market dynamics, competitive relationships, and industry-wide productivity decrease in light of a low level of *broad-scope trust* (Hansen, 2017). Consequently, "financial service providers face a social responsibility in contributing to the development of trust in the consumer financial marketplace" (Hansen, 2017, p. 161; Harjoto & Jo, 2015).

### 2.2.2. Country of Origin and Brand Trust

Although the country-of-origin effect has been subject to extensive academic investigation and literature, little research exists about the relationship between the country of origin and brand trust (Rosenbloom & Haefner, 2009). Throughout marketing literature, several authors defined brand trust, concentrating on similar key characteristics. Delgado-Ballester, Munera-

Alemain, and Yague-Gullien (2003) defined brand trust as the "[…] feeling of security held by the consumer in his/her interaction with the brand, that it is based on the perceptions that the brand is reliable and responsible for the interests and welfare of the consumer" (p. 11). According to the researchers, trust is the essence of the value that the brand has for the consumer" (Munuera-Aleman, Delgado-Ballester, & Yague-Guillen, 2003, p. 36). Chatterjee and Chaudhuri (2005) defined it as "[…] the confidence a consumer develops in the brand's reliability and integrity" (p. 2). Other authors found a strong connection between brand trust and brand loyalty (Lau & Lee, 1999), advertising efficiency and increased market share (Chatterjee & Chaudhuri, 2005; Chaudhuri & Holbrook, 2001) and hypothesized brand trust to indicate (Ambler, 1997) and measure (Schuiling & Kapferer, 2004) brand equity.

**Brands, Global Brands and Foreign Branding**

Many multinational companies market their 'global brands' all over the world in a "centrally coordinated, near-standardized fashion" (Steenkamp, Batra, & Alden, 2003, p. 53), in order to benefit from consumer's perceptions of their high 'globalness'. Global brands are characterized by being widely available and successfully marketed in multiple geographic markets, by using standardized marketing strategies and by a high number of people being familiar with them (Schuiling & Kapferer, 2004; Steenkamp et al., 2003). From a producer perspective, a global brand is "the worldwide use of name, term, sign, symbol (visual and/or auditory), design or combination therefore intended to identify goods or services of one seller and to differentiate them from those of competitors" (Cateora & Graham, 2007, p. 360).

Recent literature proved that global symbols and images (e.g. global brands) are widely accepted and preferred by a large number of people (Alden, Steenkamp, & Batra, 2006), causing significant problems for local and traditional brands. Throughout literature, researchers found that global brands are -especially in developing countries- oftentimes associated with higher perceived brand quality, prestige and other advantages, leading to positive consumer reactions (Batra et al., 2000; Steenkamp et al., 2003). While local brands can benefit from their uniqueness, their traditional images and their support from ethnocentric consumers, "positive connotations of global brands provide consumers [with] membership in the global community or an identity of global citizenship" (Strizhakova, Coulter, & Price, 2008; Xie, Batra, & Peng, 2015, p. 51).

Several researchers emphasise that consumers desire to define and validate their self-identity, making attractive brands an effective possibility for consumers to share their self-concept (Brewer, 1991; Escalas & Bettman, 2003). According to Xie, Batra and Peng (2015), a brand's perceived superior identity expressiveness increases a consumer's brand trust and affect. The authors define brand identity expressiveness as "the capability of a particular brand to construct and signal a person's self-identity to himself as well as his social identity to others" (Xie et al., 2015, p. 53). This leads to the assumption that, as a brand's origin is part of its overall identity, it could be a decisive aspect to consumers when choosing one brand over another. As researchers confirmed that some brands (e.g. global brands) act as quality substitute to consumers, these brands help reduce uncertainties and perceived risk, especially associated with high involvement products (Rosenbloom & Haefner, 2009), and encourage the development of brand trust.

However, this would imply that consumers are mostly aware of the true origin of a brand in order to use this cue's information, which is not often the case, according to Samiee, Shimp, and Sharma (2005). Studies revealed that consumers' ability to accurately recognize a brand's true country of origin varies significantly and that respondents oftentimes inferred a brand's origin by associating the brand name to a country-specific language (Samiee et al., 2005). Melnyk, Klein and Völckner (2012) found that foreign branding is a popular mean to suggest a specific country of origin to the consumers. Companies practicing this strategy of foreign branding aim to evoke certain origin-specific associations in the consumers' minds (Leclerc et al., 1994; Melnyk et al., 2012), leading to a lower perceived level of risk and uncertainty and therefore, a higher level of trust in the brand.

Companies from developing countries often try to benefit from a higher quality perception and a better social status for their brands when associated with a (mostly) Western origin (Melnyk et al., 2012; Zhou, Yang, & Hui, 2010). Even companies from developed countries make use of this practice, like for instance the American ice cream brand Häagen-Dazs which indicates a Scandinavian origin through their chosen brand name (Melnyk et al., 2012).

Some companies are convinced that choosing a foreign brand name is not enough to manipulate a consumer's origin-focused judgement. Sheth's (2011) research proved that the actual origin, indicated by the 'made in' label, can function as differentiator between similar products, providing a competitive advantage to companies manufacturing their products in a country of origin with a favourable image. Therefore, it became a global managerial practice to choose a more Western manufacturing location in order to change the 'Made in' label accordingly, creating a higher degree of congruence between the brand's implied origin and the explicit statement of the actual origin (Melnyk et al., 2012; Sheth, 2011). Melnyk, Klein and Völckner (2012) found that, especially for hedonic products associated with sensory, enjoyment-related and self-expressive attributes, an incongruence between the implied country of origin and the actual country of origin decreased the purchase likelihood for the product. This is in line with previous research findings, stating that once a subject develops trust and confidence (e.g. trusts in the suggested origin of a product or service), unfulfilled expectations and unexpected relevant information (e.g. a different country of origin than expected) evoke a feeling of discomfort and resentment, ultimately leading to suspiciousness and distrust (Morgan & Hunt, 1994; Rotter, 1971; Sabel, 1993; Spekman, 1988).

Further, studies found that consumers trust and therefore prefer global brands which originate from their home countries or regions (Rosenbloom & Haefner, 2009). In line with this notion, Kapferer (2005) emphasised another global managerial practice, namely that "it is becoming more and more common for companies to develop products for specific geographic regions […]. Furthermore, it is at [the] regional level that the world's markets [...] are at their most permeable" (p. 321). As an example, Kapferer (2005) mentioned the French personal care company L'Oréal which differentiates cosmetic products of their so-called global brands based on for instance different climate regions in China causing different skin types. The author conceptualised the designation 'post-global brand' in order to describe well-known brands which might appear to be 'global' but which in fact offer "composite, hybrid or highly adapted product[s]" that are "far from standardized" (Kapferer, 2005, p. 321).

# 3. Framework & Hypothesis Development

The following section is introducing the established research framework, by also defining corresponding dependent and independent variables, as well as two moderating constructs. Afterwards, ten hypotheses will be developed, which represent the base for further analysis.

## 3.1. Research Framework

Figure 1 depicts the theoretical framework which represents the centre of this research effort. Specifically, the framework proposes that a brand's country-of-origin image, summarizing "[...] the total of all descriptive, inferential, and informational beliefs that a consumer has about a particular country" (Martin & Eroglu, 1993, p. 192) has a positive influence on consumers' level of narrow-scope trust (Hansen, 2012b). The emergence of narrow-scope trust in turn is linked to four outcome variables, namely willingness to buy a flight ticket with the airline, willingness to pay, perceived performance risk, as well as a consumer's anxiety to fly. Furthermore, the model introduces two variables which are assumed to moderate the relationship between country-of-origin image and narrow-scope trust, namely broad-scope trust as well as lay rationalism. While the former refers to the consumer's trust in the broader business context, the latter measures the individual's tendency to place more weight on 'reason' versus 'feelings' when making a decision (Hsee, Yang, Zheng, & Wang, 2014). Finally, the model depicts three antecedent variables, which are proposed to exert a positive influence on the country-of-origin image formation, including (positive) word-of-mouth, media exposure as well as cultural openness. In the subsequent section, relevant literature is reviewed and based on this, hypotheses will be formed and elaborated on.

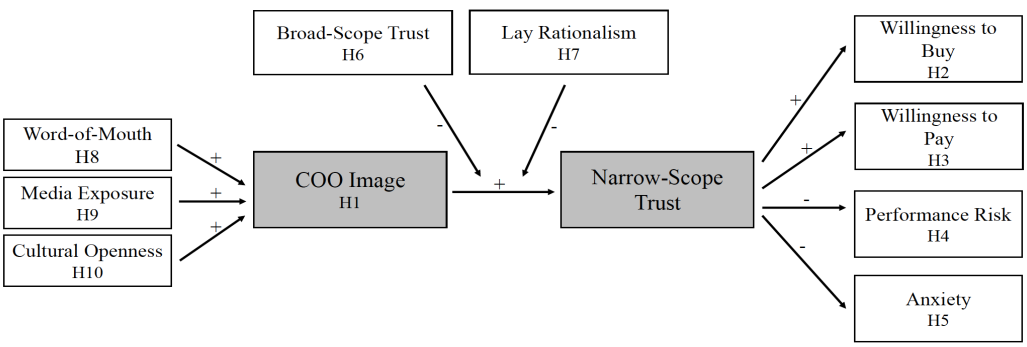


Figure 1: Research Framework

## 3.2. Hypothesis Development

In the following, the exact hypotheses, which this study is based on, will be outlined. Further, the subsequent section introduces the main theoretical concepts relevant for each hypothesis and provides arguments from both secondary research and common logic supporting the development of the hypotheses.

**Country-of-Origin Image and Narrow-Scope Trust**

Although not specifically referred to as narrow-scope trust, the concept of consumers' trust in companies has been widely researched and the positive consequences for businesses ascribed to consumer trust received significant attention throughout literature. In general, researchers found that consumer trust enhances consumer loyalty (Agustin & Singh, 2005; Sako, 1992) and consumer purchase intention (Michaelis et al., 2008). Further, they suggest that consumer trust encourages lower opportunism (Rindfleisch & Moorman, 2003), more service usage (Maltz & Kohli, 1996), greater commitment (Jap & Ganesan, 2000), and more collaborative, cooperative, and interactive exchange relationships (Cannon & Perreault, 1999; Hibbard, Kumar, & Stern, 2001; Jap & Anderson, 2003).
Furthermore, as some authors investigated the consequences of narrow-scope trust directly, consumers' trust in a certain provider of services or goods was found to lead to increased relationship satisfaction (Hansen et al., 2000). In the presence of narrow-scope trust, consumers tend to worry less about their individual situation as they are confident that the company which they are interacting with will properly serve their interest (Zak & Knack, 2001), potentially leading to increased market dynamics (Hansen et al., 2000). However, too much trust can lead consumers to accept too much risk when deciding on a provider and inhibit their search for better alternatives, potentially leading to reduced market dynamics (Zak & Knack, 2001).

Given these wide-reaching effects on business, several variables have been tested throughout literature with regard to their influence on narrow-scope trust. Hansen, Grønholdt, Josiassen and Martensen (2000) confirm previous research and institutional theory, suggesting in particular that broad-scope trust has a positive influence on narrow-scope trust. At the same time, this finding contradicts functionalist theory, holding that different forms of trust are only developed given the necessity for those (Cohen & Parsons, 1968; Luhmann, 1979).

Further, Hansen et al. (2000) find a positive relationship between how over- or underconfident a consumer becomes and the level of developed narrow-scope trust. This outcome is in line with the argument that "[…] knowledge overconfident consumers may feel more in control and more comfortable in their evaluation of service providers than less overconfident, or underconfident, consumers" (Hansen et al., 2000, p. 9).

Furthermore, while some authors found that the process of trust creation varies on nation-level (Doney et al., 1997), other researchers took it a step further when concluding that trust and the formation of trust are closely correlated with cultural differences ascribed even on country-level (Minkov & Hofstede, 2011). As previously outlined in the literature review of this research (section 2.1.), the country-of-origin of a product or service was found to have a significant influence over consumer beliefs and actions. However, to this day, little research directly investigates the relationship between the country-of-origin of a product (or service) and the formation of trust (Rosenbloom & Haefner, 2009).

As indicated in the literature review section of this research, Doney, Cannon and Mullen's (1998) outline five processes which are essential for the development of trust. These processes are based on multidisciplinary research and serve as a point of departure for this research's argument in favour of assuming a potential positive relationship between the country image of a company and the development of narrow-scope trust.

First, researchers found that trust development is based on humans' perception that the other party would have something to lose (calculative process), in case that they abuse trust (Akerlof, 1970; Doney et al., 1997). In a business context, people utilize extrinsic attributes like for instance a product's price to determine 'how much the company would have to lose' if they would not deliver decent quality and consequently, would lose customers. Similarly, country-of-origin information, like for instance a country's image, are extrinsic cues as well, utilized to assess the quality potential of products from a specific origin (Doney et al., 1997; Verlegh & Steenkamp, 1999). The better a country's image, the more subjects assume products and services from this very country to be of high quality, as otherwise, the country's image would suffer. Based on this line of argumentation, it is reasonable to assume that subjects would develop a higher degree of trust in companies (and brands) from an origin with a positive image (positive relationship).

Second, social psychology research finds that trust develops through repeated interaction with a target, as thereby, subjects gain more knowledge about the target and its actions become more predictable (prediction process) (Bunker & Rubin, 1995; Deutsch, 1960). In the context of this academic work, Chao (1993) finds that when consumers possess limited to no knowledge about a company, they use information about its origin to assess its trustworthiness and foster predictability.

Third and fourth, sociology literature outlines the importance of a target's capability to fulfil promises in the process of trust development (Barber, 1983; Butler & Cantrell, 1984). In order to assess a target's capability (capability process), subjects utilize information from experiences made by either themselves or by third parties, which they already found to be trustworthy (transference process) (Granovetter, 1985), or both. A country's image is subjectively based, among other things, on stereotypes and impressions (Chen et al., 2014), developed because of several subjects' experiences and word-of-mouth. Therefore, one can infer a company's capability to keep promises by assessing the image of the respective country-of-origin, which in turn would suggest that country image influences the level of trust creation (positive relationship).

Fifth, according to social psychology literature (Rempel, Ross, & Holmes, 2001), a trustor evaluates a trustee's intentions and motivations when developing trust (intentionality process). As positive assumptions regarding a subject's benevolent intentions can result from shared norms or values (Macneil, 1980), it is reasonable that subjects would utilize information about a country's norms and values (country image) when examining a company's intentions.

These arguments, combined with the undisputed importance ascribed throughout international marketing literature to consumers' trust in specific industries (broad-scope trust) and especially in specific companies and/or their respective brands (narrow-scope trust), provide reason to hypothesize the following positive relationship between the two variables:

*H1: Country-of-origin image has a positive influence on narrow-scope trust.*

**Narrow-Scope Trust and Willingness to Buy**

Reviewing existing literature on the concept of willingness to buy, which is defined as the "[...] behavioural intention of the customer to purchase a product" (Jahangir & Bhattacharjee, Noorjahan, 2009, p. 1), studies investigate different factors that motivate a consumer to engage in a product or service purchase (Beneke, Flynn, Greig, & Mukaiwa, 2013; Garretson, Fisher, & Burton, 2002). Generally, willingness to buy has been found to be a result of perceived product quality and value, price sensitivity and promotion, risk perception, as well as trust in the vendor (Beneke et al., 2013; Jahangir & Bhattacharjee, Noorjahan, 2009; Maxwell, 2002). Investigating the effect of perceived product quality as well as relative price and risk, Beneke et al. (2013) conclude that all three factors have a positive influence on perceived product value, which in turn has a significant impact on a consumer's willingness to buy. Numerous researchers support the finding that perceived product value is a critical determinant of purchase intention (Monroe, 2002; Ulaga & Chacour, 2001). The higher the consumer perceives the value of a product or service to be, especially compared to competitor alternatives, the higher is the probability that he or she will engage in a purchase (Zeithaml, 1988). A product's perceived quality, which refers to the consumers' view on product superiority when compared to alternatives (Aaker, 1991; De Chernatony, 2009), has been repeatedly identified as a key driver of private-label purchases and brand success (Beneke et al., 2013; Garretson et al., 2002). Focusing on the pricing component of the marketing mix, Maxwell (2001) studies the effect of rule-based price fairness on the willingness to purchase. Results indicate that not only the price of a product itself, but also the way the price has been determined affects consumers' perception of price fairness and therefore, also their willingness to buy.
Investigating the impact that a product's price perception has on a consumer's decision-making process and his/her willingness to purchase has been of interest to many marketing scholars (e.g., Dodds, Monroe, & Grewal, 1991; Jacoby, & Olson, 1977). Among these studies, especially a buyer's perception of price fairness has been identified as a critical determinant of purchase intention (Kalapurakal, Dickson, & Urbany, 1991).

A further stream of research focuses on cultural issues such as country-of-origin effects and their impact on consumers' willingness to purchase products. In this context, consumer ethnocentrism has been proven to have a significant impact on the willingness to buy domestic rather than non-domestic products (Moon, 2003). In their paper '*Consumer ethnocentrism and willingness to buy*', Josiassen et al. (2011a) go a step further by examining characteristics of individuals and their interplay with ethnocentrism and willingness to buy. The authors come to the conclusion that consumers' tendencies for ethnocentric behaviour and the resulting effect on willingness to buy is influenced by consumer characteristics, specifically by an individual's age and gender.

In an earlier study, Wang and Lamb (1983) investigate the willingness to buy foreign products of American consumers, based on the economic, political, and cultural environment of products' country-of-origin. Their results suggest that willingness to purchase is indeed influenced by the selected environmental forces, with U.S. consumers preferring to buy products from countries characterized as 'highly economically developed' and 'politically free', such as the European Union or Australia.

Studying online consumer behaviour, Chen (2009) investigates the factors that drive a consumer's willingness to buy from e-commerce vendors. His results provide evidence that perceived risk, reputation and ease of use of the website motivate the consumer to engage in a purchase. Likewise, Becerra and Korgaonkar (2011) focus on the impact of brand trust in an online service environment, by showing that brand trust leads to a significant increase in consumers' online purchase intentions. In contrast to traditional retailing, an online shopper cannot interact face-to-face with the vendor and no pre-purchase trial is possible, emphasising the importance of the role of trust in these situations (Becerra & Korgaonkar, 2011).

Supporting this finding, Reichheld (2003) puts forth that consumers are more likely to promote and recommend a brand that they trust to live up to their expectations. Stressing the importance of consumer-brand relationships, Becerra and Badrinarayanan (2013) investigate the impact of brand trust on the emergence of brand evangelism, which is conceptualized as three brand-related behaviours, namely purchase intentions, positive brand referrals, and oppositional brand-referrals. Being defined as "[...] the active behavioural and vocal support of a brand including actions such as purchasing the brand, disseminating positive brand referrals, and convincing others about a focal brand by disparaging competing brands" (Becerra & Badrinarayanan, 2013, p. 2), brand evangelism involves passionate consumers who not only recommend the brand, but also demonstrate their commitment by actively buying it.

Testing the impact of brand trust on the three components of brand evangelism, Becerra & Badrinarayanan (2013) study validates a positive relationship between brand trust and a consumer's purchase intention.  In the same way, Zboja & Voorhees (2006) examine the effect of brand trust on retailer purchase intention, with the finding that brand trust has a positive influence on the consumer's willingness to purchase at the retailer, with the impact being mediated by retailer trust and satisfaction.

Although several researchers argue for the positive influence of brand trust, which can also be understood as trust in a specific entity (narrow-scope trust, see section 2.2), on willingness to buy, recent literature has not yet examined this topic in the context of airline services. An extensive study by Elliott and Yannopoulou (2007) uncovers that in the context of functional products, satisfying a consumer's functional or product-related needs, the influence of brand trust on purchase intention is highest for products with a greater purchase risk and higher price levels. This can be explained with the ability of trust to alleviate risk associated with brand-related behaviour. Compared to other service offerings, flying with an airplane involves great purchase risk, since the consumer entrusts the airline with his or her life, thereby being exposed to physical risk (Ringle, Sarstedt, & Mooi, 2010). Therefore, we assert that also with regard to airline services, brand trust acts as a critical determinant of willingness to buy. Accordingly, we set forth the following hypothesis:

*H2: Narrow-scope trust has a positive influence on willingness to buy.*

**Narrow-scope trust and willingness to pay**

Being closely linked to the concept of brand equity, consumers' willingness to pay represents the maximum amount that an individual is willing to pay for a specific product or service, thereby being an important indicator for the value of the firm and its brand(s) and acting as an important instrument for competitive advantage (Dubin & Dubin, 1998; Keller, 1993).

Previous marketing literature largely focuses on consumers' willingness to pay a price premium, as well as its antecedents (e.g., Anselmsson, Bondesson, & Johansson, 2014; Dwivedi, Nayeem, & Murshed, 2018; Netemeyer et al., 2004). The willingness to pay a price premium refers to "[...] the amount a customer is willing to pay for his/her preferred brand over comparable/lesser brands of the same package size/quantity" (Aaker, 1996, p. 107). Following traditional economics literature, price premium is conceptualized as prices yielding above-average profits (Klein & Leffler, 1981). Several researchers even refer to such as a key brand strength (Ailawadi, Lehmann, & Neslin, 2003; Netemeyer et al., 2004). According to Aaker (1996), the price premium which companies successfully charge represents an important indicator of loyalty and serves as an appropriate measure in assessing a firm's brand equity and therefore its brand's strength. Doyle (2001) even claims that it is the best tool available for creating shareholder value, since it is associated with no direct investments. It has to be noted that a price premium represents a relative measure and that the absolute amount is therefore dependent on the context in which price levels are compared (Sethuraman, 2005).

Considering its importance in assessing a brand's value and ensuring a firm's competitiveness, scholars have investigated various factors that influence a consumer's willingness to pay a price premium. In a study based on new automobile buyers, Dwivedi et al. (2018) examine how brand experience, conceptualized as a consumer's feelings, sensations, cognitions and behavioural responses, elicited by brand-related stimuli (Brakus, Schmitt, & Zarantonello, 2009), can be leveraged to enhance a firm's profitability. Their results indicate that a consumer's willingness to pay a price premium is directly affected by prior brand experience, as well as indirectly affected through perceived uniqueness and brand credibility.

Also, other researchers confirm the importance of brand credibility in influencing consumers' perception of price (Yang, Peterson, & Cai, 2003), its ability to reduce consumer price sensitivity (Erdem, Swait, & Louviere, 2002), as well as its ability to motivate consumers to pay a higher price (Netemeyer et al., 2004). In another study, Anselmsson et al. (2014), explore the effect of a brand's image on customers' willingness to pay a price premium for consumer-packaged goods. By applying theories on customer-based brand equity, focusing on non-product-related customer perceptions that oftentimes result in the ability to charge a higher price, the authors conceptualize a brand's image into six different dimensions, namely awareness, uniqueness, perceived quality and positive associations with corporate social responsibility (CSR), origin and social image (Anselmsson et al., 2014). All these dimensions were found to have a significant influence on consumers' willingness to pay a price premium. Various empirical studies support these findings. Perceived quality for example has been largely recognized as an antecedent of price premiums (e.g., Netemeyer et al., 2004; Sethuraman, 2005), while numerous researchers confirm the positive relationship between a favourable country-of-origin image and the willingness to pay a higher price (e.g. Ahmed et al., 2004; Maheswaran, 1994). In the context of airline companies, Graham & Bansal (2007) find that the corporate reputation of an airline, manifested by return on equity, airline size, age and crash history, has a positive effect on consumers' willingness to pay. Further studies investigate willingness to pay by either focusing solely on product-related judgments, such as Kalogeras et al. (2009), who study the willingness to pay of Dutch consumers for organic olive oil, or by considering only one type of antecedent, such as the product origin (e.g., Unahanandh & Assarut, 2013).

Since the exact role of trust in anticipating a consumers' willingness to pay has not been sufficiently investigated yet, this study aims at exploring a potential connection between these two variables.

As mentioned earlier, consumers' willingness to pay a price premium has been recognized as a meaningful measure of brand equity (Aaker, 1996). Conceptualized as "[...] the value endowed by the brand to the product [...]" (Farquhar, 1989, p. 2), brand equity aims at extracting economic value from brands, which makes the demand of a price premium an interesting instrument for additional value creation (Farquhar, 1989). According to literature, brand equity can be described as a relational market-based asset (Srivastava, Fahey, & Christensen, 2001), since most of its value results from external relationships the brand engages in, such as with the end consumer (Aaker, 1991; Keller, 1993). Considering its relational nature, developing trust and building successful long-term relationships is at the core of brand equity (Garbarino & Johnson, 1999; Morgan & Hunt, 1994). Following this notion, brand loyalty has been repeatedly recognized as a driver of brand equity (e.g. Aaker, 1991; Bello & Holbrook, 1995). Based on the fact that loyalty and trust are related concepts, Delgado-Ballester and Munuera Alemán (2005) investigate the question whether brand trust

matters to brand equity and arrive at the conclusion that brand trust is a key mediating variable to develop brand loyalty and consequently brand equity.
Based on the above findings and in an attempt to fill a research gap by measuring the direct effect of brand trust on willingness to pay, we suggest the following hypothesis:

*H3: Narrow-scope trust has a positive influence on willingness to pay.*

**Narrow-Scope Trust on Performance Risk**

When consumers make purchase decisions, their willingness to engage with a specific product or service is influenced by the perceived risk involved in a specific purchase decision. Originating from potentially negative outcomes, the concept of perceived risk has been paid great attention to throughout marketing literature with the aim to understand consumers' purchase behaviour in diverse settings (Mitchell & Greatorex, 1993). Every purchase an individual is engaging in bears the risk of being faced with unanticipated and uncertain consequences, which tend to be unpleasant (Bauer, 1960). Assael (1998) defines perceived risk as "[...] the uncertainty of the outcome of the decision and concern about the consequences of the decision", while classic decision theory refers to risk as the "[…] variation in the distribution of possible outcomes, their likelihoods as well as subjective values" (Mitchell et al., 2003, p.2 ; Pratt, 1964). Generally, it is assumed that individuals prefer to engage in decisions representing a smaller risk, rather than a larger one, all else being equal (Ozga & Arrow, 1966).

Following marketing literature, six different types of the overall risk concept have been identified, namely financial, performance, social, psychological, physical and time risks (Jacoby & Kaplan, 1972; Mitchell & Greatorex, 1993; Roehl & Fesenmaier, 1992; Roselius, 1971). Measuring the probability that the purchased product is not performing as desired, performance risk specifically has been argued to serve as a surrogate measure for overall risk, and not just as a subcomponent of it (Horton, 1976; Jacoby & Kaplan, 1972; Kaplan, Szybillo, & Jacoby, 1974). This can be explained by the fact that financial or time losses are also connected with a failure in performance and therefore as well represent an overall performance risk (Mitchell & Greatorex, 1993). The degree of risk perception is subjective, and might differ between individuals (Kim, Qu, & Kim, 2009). For example, several researchers suggest that having experience with a product or service has an influence on the degree of risk perceived (Kim & Lennon, 2000; Sonmez & Graefe, 1998).

In order to protect themselves from potentially negative consequences, consumers are employing so-called risk reduction strategies when making a purchase (Mitchell et al., 1999). It is generally acknowledged that the more risk is perceived by the individual, the more he or she will engage in risk reducing strategies (Mitchell, Moutinho, & Lewis, 2003; Tan & Farley, 1987). Some scholars support the view that the type of risk perceived and the type of risk reduction strategy utilized are closely linked (Derbaix, 1983; Mitchell & Greatorex, 1993; Taylor, 1974). Others in contrast found that the type of risk-reducing strategy is not dependent on the type of risk the consumer is facing (Mitchell & Greatorex, 1993; Roselius, 1971). Reviewing previous studies, a stream of researchers outline different types of risk-reducing strategies employed by consumers (Kim et al., 2009; Mitchell et al., 2003; Vos et al., 2014). One risk reducer which has been mentioned several times in literature has been information search (e.g. Locander & Hermann, 1979; Mangold, Berl, Pol, & Abercrombie, 1987). In addition, brand image, personal recommendations, company reputation, inexpensive price, as well as special offers have been identified as meaningful strategies in reducing a perceived purchase risk (Akaah & Korgaonkar, 1988; Kim et al., 2009; Mitchell & Boustani, 1994).
Several scholars have paid special attention to analysing risk perception and reduction strategies in a service context. It is commonly agreed upon that the purchase of services involves a greater risk compared to buying a tangible product (Mitchell & Greatorex, 1993; Yavas & Tuncalp, 1985). This phenomenon can be explained by the special characteristics describing a service's nature, including intangibility, perishability, inseparability and variability. Among those characteristics, intangibility is identified as a major factor in creating uncertainty in purchasing, since consumers are not able to evaluate the service prior to consumption (Murray & Schlacter, 1990; Zeithaml & Bitner, 1996). Also, complaining about an unsatisfactory service is difficult, as no physical evidence exists and the only source of evidence is one's own personal memory (Mitchell & Greatorex, 1993). Especially in the context of electronic commerce, studies show that buying online represents a greater risk to consumers than purchasing products in a conventional way, explained by the lack of trust in an online vendor's credibility (Ha, 2004; Vos et al., 2014).

Studying consumers' brand trust in online vendors, Ha (2004) identifies several factors that help to increase trust and, at the same time, serve as 'risk relievers', including security, privacy, word-of-mouth, brand name, good online experience and quality of information. This finding is supported by Miyazaki and Fernandez (2001), who stress the importance of several technical security measures in increasing consumer trust, such as security seals and display privacy on their websites.
Building on Cunningham et al.'s (2002) finding that financial and performance risks are playing an important role in purchasing online flight tickets, Kim et al. (2009) investigate which risk reduction strategies are employed by travellers buying an online ticket. The sample group was divided into online purchasers as well as offline purchasers. Study results show that the reputation of the web vendor, a well-known brand, a symbol of security approval, and recommendations of family and friends are among the most preferred risk reduction strategies when making online air-ticket purchases. Furthermore, online purchasers set a great value on gathering information on the web to compare different offers before making a decision, more so than offline purchasers (Kim et al. 2009).

Not only the mere purchase of airline tickets, but also the act of flying with an airplane implies consumer risk-taking. Compared to most other services, air travel does not only involve financial, social and psychological risk (e.g., Cunningham et al., 2002; Roehl & Fesenmaier, 1992), but also the exposure to physical risk. Even though airlines claim that safety is their '*number one priority*' (International Air Transport Association, 2009) and the number of accidents has fallen in the past 20 years, consumers are still susceptible to greater risk perception, which is also caused by the extensive media coverage of airline disasters, and the resulting awareness of accidents (Ringle et al., 2010). A recent survey conducted among Italian participants, investigated the reasons for which people are afraid of flying. The majority of all respondents (48%) indicated that their biggest fear is an aircraft fault, while 40% dislike the feeling of not being in control of the aircraft (Statista, 2019c). This survey demonstrates that especially in the airline industry, risk reduction strategies should be of great interest and relevance. Many studies thematize the role of risk perception and its influence on consumer behaviour in air travel. Mattila (2001) argues that, when consumers choose a service despite its riskiness, a feeling of dissonance arises, which the airline customer then tries to reduce by lowering the pre-consumption expectations, thereby compensating any negative feelings associated with the service purchase. According to Rhoades and Waguespack (2000), airline customers that attempt to reduce the perceived risk pay special attention to proxy measures of safety, such as the aircraft's appearance, intensity of security checks at the airport, or airline service quality.

As several researchers have shown, trust in the vendor and its products can act as important risk relievers, in online as well as offline settings (Ha, 2004; Kim et al., 2009). Specifically, several risk reduction strategies suggested by literature are related to the reinforcement of brand trust, such as reputation of web vendor, brand name or brand image (Akaah & Korgaonkar, 1988; Ha, 2004; Kim et al., 2009; Mitchell & Boustani, 1994). Defined as "[...] a name, term, sign, symbol, or design, or a combination of them, [that] is intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competitors" (Philip Kotler & Keller, 1997, p. 443), a brand works as a signal for specific product attributes or benefits (Wernerfelt, 1988). Specifically, in a state of uncertainty, Erdem and Swait (1998) suggest that credibility in a brand leads to an increased perceived quality, lower consumer perceived risk and information costs thus eventually increasing overall consumer utility. Also, Aaker (1991) supports this finding by stressing that, all else being equal, brands are associated with a higher perceived product or service quality. Since performance risk in particular is concerned with a potential failure of product or service performance, we assume that trust in a brand, acting as a quality signal, serves as a risk reliever. Hence, we propose the following hypothesis:

*H4: Narrow-scope trust has a negative influence on perceived performance risk.*

**Narrow-Scope Trust and Anxiety**

With perceived risk generating feelings of uncertainty, discomfort and anxiety (Dowling & Staelin, 1994), the risk concept is closely linked to the role of consumer emotions, which have been increasingly recognized as an important factor in consumer decision-making (Bagozzi, Gopinath, & Nyer, 1999; Gaur, Herjanto, & Makkar, 2014). Being defined as "[...] a mental state of readiness that arises from cognitive appraisals of events or thought [...]" (Bagozzi et al., 1999, p. 184), emotions have been identified as an important predictor of consumer behaviour (Gaur et al., 2014) and are referred to as a set of emotional responses

evoked by a consumption experience (Westbrook & Oliver, 1991). According to Chaudhuri (1997), emotions represent basic motivations and critical determinants of consumer behaviour and consequently, of the consumption process. Evoked by external factors, such as events, persons or objects, emotions can be described as a type of state which is influenced by the individual's pre-existing mood (Bagozzi et al., 1999; Rook & Gardner, 1993). Researchers conceptualize emotions as either 'discrete primary emotion' such as joy, anger, contempt, distress, and fear (Izard, 1977; Plutchik, 1980), or as 'basic dimensions' relating to positive-negative emotions and pleasure-arousal (Ladhari et al., 2017; Russell, 1980).
The causes of emotions have been debated in literature (Nyer, 1997). While some researchers take the perspective that emotions arise out of a cognitive appraisal of an event (Roseman, 1996), other scholars support the view that they emerge from non-cognitive information processing or with no prior evaluation at all (Izard, 1977; Zajonc, 1980). Generally, the supporters of the cognitive model prevail, since evidence shows that appraisals of certain events do lead to a raise of emotions (Nyer, 1997).

Several academic studies have set their focus on consumption emotions in the past (Alford & Sherrell, 1996; Bagozzi et al., 1999; Dubé & Menon, 2000). Especially the consequential effects of emotions have been subject to extensive studies; emotional feelings have been proven to be predictors of customer satisfaction (Mano & Oliver, 1993), firm loyalty (Yu & Dean, 2001), as well as behavioural intentions (Morris, Chongmoo, Geason, & Jooyoung, 2002). Specifically, Dubé and Menon (2000) find that both positive and negative emotions influence consumer satisfaction, suggesting that an increase in positive emotions also leads to an increase in satisfaction, while negative feelings rather lower the degree of satisfaction. In the context of services, early research largely focuses on hedonic service settings, such as entertainment, leisure, and tourism, where emotions are recognized as crucial factors in grasping service experience perceptions (Arnould & Price, 1993; Jani & Han, 2015; Kim, Park, Lee, & Choi, 2016; Mattila & Enz, 2002).

With emotional states affecting consumers' evaluations and judgments, numerous researchers have been interested in studying negative emotions, since these are broadly associated with undesired outcomes, such as lower customer satisfaction, buying resistance, and the tendency to spread negative word-of-mouth (Dallimore, Sparks, & Butcher, 2007; Dubé & Menon, 2000; White, 2010).

Negative emotions investigated by scholars include hate, anger, fear, resistance and anxiety (e.g., Dallimore et al., 2007; Dubé & Menon, 2000). Among those, anxiety is the one which enjoys the most attention (e.g., Brosnan, 1998; Meier, 1985; Norris, Pauli, & Bray, 2007). Being a subjective feeling, anxiety is evoked by an exposure to potential or actual risk (Reisinger et al., 2005) and is connected with the emergence of unpleasant feelings, such as stress, fear, or panic (McIntyre & Roggenbuck, 1998). Gudykunst and Hammer (1988, p. 126) describe anxiety as "[...] an affective element that refers to the fear of negative consequences", while Hullett and Witte (2001) specify it as being awkward and frustrating. In the context of consumption, Dowling and Staelin (1994) explain that a risky purchase by a consumer automatically generates a feeling of fear or uncertainty, and therefore a feeling of anxiety.

Anxiety has been repeatedly discussed in literature on consumer behaviour (e.g., Brown, 1999; Viswanathan, Rosa, & Harris, 2005), computer and internet use (e.g. Hackbarth, Grover, & Yi, 2003) as well as tourism and leisure travels (e.g., Arnould & Price, 1993; Jani & Han, 2015; S. Kim et al., 2016). Since anxiety naturally evolves out of uncertainty, especially its linkage to the concept of perceived risk has been widely paid attention to (Källmén, 2000; Yao & Liao, 2011). Tripp et al. (1995) investigate the hypothesis that anxious individuals overestimate the probability and severity of negative occurrences, with study results supporting this prediction. Also, Källmén (2000) arrives at the conclusion that risk perception is dependent on personality traits, with anxiety having the greatest influence on the degree of risk perception. In the context of internet usage, Yao and Liao (2011) focus on the consequences of internet shopping anxiety, and particularly its effects on customer satisfaction with online services. In contrast to traditional retail, consumers shopping online cannot see or touch the product before purchasing it and a direct interaction with the seller is not possible. Consequently, e-tailing services bear a greater risk and uncertainty for the consumer. Based on this observation, Yao and Liao's (2011) study results demonstrate that people who feel anxious about shopping online also have a greater perceived risk of the e-tailing service. Similarly, exploring the relationship between knowledge, emotion and risk, Chaudhuri (2002) recognizes that negative emotions evoked in consumers contribute greatly to the degree of perceived risk.

When finding themselves in situations marked by uncertainty and resulting in feelings of anxiety, consumers usually try to reduce the perceived risk by collecting information (Bauer, 1960). Chaudhuri (2002) argues that building a knowledge base is a valuable technique to reduce and evaluate risk in times of uncertainty, therefore fighting feelings of discomfort. In fact, the influential effect of information on risk and uncertainty reduction is proven by literature (Berlyne, 2006; Ross & Bettman, 1979). When purchasing a product or service, consumers are oftentimes facing quality uncertainty, and the risk that the product performance is not following individual expectations (Erdem, Swait, & Valenzuela, 2006). With the majority of consumers being risk-averse, they try to reduce the perceived risk and resort to extrinsic cues to infer product quality, such as price, advertising or channel choice (Zeithaml, 1988). While firms can work on gaining consumers' trust by using various marketing mix elements to signal superior quality, these might not always be credible, depending on market conditions, including competitive and consumer behaviour (Erdem et al., 2006). In these cases, brands can act as credible signals, since they "[...] embody the cumulative effect of prior marketing-mix strategies and activities [...]" (Erdem et al., 2006, p. 2). Specifically, brand credibility has been referred to as the "[...] believability of product information contained in a brand" (Erdem et al., 2006, p. 2), requiring the consumers to perceive the brand as being trustworthy and able to deliver what it promised. Several researchers recognize the fact that brands function as credible and consistent signals for superior quality and reliability, therefore reducing consumers' perceived risk and feelings of uncertainty (Aaker, 1991; Erdem & Swait, 1998; Erdem et al., 2006). With anxiety evolving out of potential or actual risk, we set forth the following hypothesis:

*H5: Narrow-scope trust has a negative influence on anxiety.*

**The Moderating Influence of Broad-Scope Trust**

Several factors have been found to moderate the impact that country-of-origin image has on other dependent variables. Lin and Kao (2004) find that a brand and, more specifically, a brand's equity associated with a product or service, are substantial factors for the development of country-of-origin evaluations. Further, they find that, once developed, a country's image impacts the commercial value that derives from consumer perception of the brand name

(brand equity) in return. Other researchers investigate the moderating effect of external cues on country image like the brand name and the price in question. Thereby, Chao, Wührer and Werani (2005) emphasise that a foreign brand name evokes strong associations with a foreign country's image and leads to less favourable perceptions. Further, researchers like Jo, Nakamoto, and Nelson (2003) find that a brand's image, especially when it indicates high quality, has a strong effect on how much the image of a product's or service's respective country-of-origin impacts consumers' perceptions.
Over the years, not only brand-related moderators of origin images received academic attention throughout international marketing literature, but also product-specific individual factors such as the type and degree of product involvement and the degree of product familiarity were investigated. As mentioned in detail in the literature review of this research (section 2.1.3.), product familiarity influences the effect that the country image has on consumers' decision-making process. Thereby, the argumentative outcome depends on whether researchers operate under the 'halo' assumption, ascribing less relevance to the country image of a product or product category when the degree of familiarity is high (Josiassen et al., 2008), or under the 'summary cue' assumption, arguing the opposite, namely that more product familiarity leads to higher importance of the country image cue (Johansson, 1989; Phau & Suntornnond, 2006). Other researchers argue that the directionality (positive versus negative) of the country image cue's influence on consumers' decision-making depends on factors like the complexity of the product in question and the frequency of purchase of a product (Pharr, 2005). The level of consumer involvement (Chaiken, 1980; Day, 1970; Josiassen et al., 2013; Petty & Cacioppo, 1979, 1984), product origin congruency (Chao, 2001; Josiassen & Harzing, 2008; Osgood & Tannenbaum, 1955), stereotypes (Chen et al., 2014; Parameswaran & Pisharodi, 2002; Roth & Romeo, 1992) and certain demographics (e.g., Han & Terpstra, 1988; Josiassen et al., 2008; Mittal & Tsiros, 1995) have also been found to impact the magnitude and directionality of the influence that the country image cue has on other variables.

As comprehensively outlined in the literature review section of this academic work (section 2.), especially the formation and importance of consumer trust in customer-company relationships have been widely researched over time. Past research on relationship trust suggests that "[…] trust relates not only to customer trust in individual companies. Trust also relates to the broader business context in which customer–seller relationships may develop" (Grayson et al., 2008; Hansen, 2012b, p. 350), referring to the categorization of trust as either narrow-scope trust or broad-scope trust. So far, several authors like Hansen, Grønholdt, Josiassen and Martensen (2000) analysed broad-scope trust as an independent variable and its influence on the dependent variable narrow-scope trust. Their research confirms an overall positive relationship between the two variables, even for "[...] individual service providers who have not actively participated in influencing the level of broad-scope trust" (Hansen et al., 2000, p. 9) and is in line with the majority of findings in this context. For this study, this means that when subjects display trust in a broader business context, like for instance in a particular industry, this trust enhances the formation of trust in specific entities of this business context. A study conducted by Williamson (1993) indicates that the relationship might be dependent on the level of broad-scope trust involved. Where broad-scope trust is at a low level, the author finds that in order to compensate for this, economic parties develop higher narrow-scope trust on individual company level. These results suggest a negative relationship between broad-scope trust and narrow-scope trust.

While the influence of broad-scope trust has been investigated by several researchers, only little attention has been given to its potential as a moderator. In his comprehensive study, Hansen (2012) investigates both the direct influence of broad-scope trust on loyalty, narrow-scope trust and satisfaction, as well as its moderating influence on the relationships between these variables. He finds that "whereas [broad-scope trust] negatively moderates relationships between satisfaction and narrow-scope trust and between narrow-scope trust and loyalty, [broad-scope trust] positively moderates the relationship between satisfaction and loyalty" (Hansen, 2012, p. 350). The researchers base their specification of the moderating effect of broad-scope trust in the context of their study on attribution theory, which is similarly applicable in the context of this current research.
Weiner (1985) suggests that an individual's understanding of whether an outcome was a success, or a failure evokes an either comforting or discomforting emotional reaction and stimulates the individual's need to identify the outcome's specific cause. Kelley (1967) conceptualizes this post-behaviour evaluation of causality as a "[…] process by which an individual interprets events as being caused by a particular part of an environment" (p. 193). Weiner (1985) states that the cause of each outcome can be explained through three causal

dimensions, namely locus, stability and controllability. The *locus of causality* is particularly relevant for this current study and describes where the outcome is perceived to come from. The cause could be found in "[…] an internal position (the cause is located in the consumer her-/himself or in one of her/his decisions), external (located in the company that offers the service), or situational (located in environmental effects)" (Hansen, 2012a, p. 355; Ryu, Park, & Feick, 2006; Williamson, 1993). In this current study, the *locus of causality* is of particular importance as it allows distinction between attribution of success or failure to situational causes, like for instance broad-scope trust, or to more external causes, like the narrow-scope trust in specific service providers (Hansen, 2012a).

When consumers attribute outcomes rather to external causes than to situational causes, attribution theory predicts that consumers are more likely to evaluate a supplier favourably (Weiner, 1985). As an explanation hereof, it can be argued that assuming external attribution of causes, the supplier is perceived to be more responsible for an experience than under the assumption of situational causes, under which the environment is perceived to be more responsible (Oliver, 1993; Weiner, 1985).

Hansen (2012a, p. 355, 2017) draws on the underlying insights of attribution theory when stating that, „[…] it is predicted that in an environment where [broad-scope trust] is low, consumers should be expected to be more likely to attribute negative experiences to situational causes and less likely to attribute negative experiences to external causes […] compared with environments where [broad-scope trust] is high". On the same note, when broad-scope trust is low and individuals face positive outcomes, they can be expected to attribute those to the company in question (i.e. narrow-scope trust), rather than to situational causes, compared to cases where broad-scope trust is high.

Accordingly, it is reasonable to expect that consumers are more likely to attribute trust to the customer–seller relationship (resulting in a higher level of narrow-scope trust) than to a situational cause, when broad-scope trust is on a low level, and vice versa when broad-scope trust is on a high level. Therefore, and based on the related previous literature, we postulate the following:

*H6: Broad-scope trust has a negative influence on the relationship between country-of-origin image and narrow-scope trust, with the relationship being weaker for high levels of broad-scope trust.*

**The Moderating Effect of Lay Rationalism**

While international marketing researchers broadly acknowledge the influential effect of a country-of-origin's image on the consumer's evaluation process when purchasing a product or service (e.g., Bilkey & Nes, 1982), the relative effect it has on the decision-making entity is dependent on context-specific factors. Aspects that have been found to influence the relative importance of a country's image in evaluating products or services include, amongst others, product familiarity (Hong & Toner, 1989; Johansson et al., 1985; Tse & Gorn, 1993), consumer involvement (Chaiken, 1980; Petty & Cacioppo, 1979), brand name (Chao et al., 2005), product origin congruency (Josiassen & Harzing, 2008; Osgood & Tannenbaum, 1955), stereotypes (Roth & Romeo, 1992; Verlegh & Steenkamp, 1999) as well as demographics (Josiassen et al., 2008). This study is introducing another variable, which is assumed to influence the relative effect of the country-of-origin image, namely lay rationalism.

Studying behavioural differences caused by emotional aspects in consumers' evaluations of products and services, Hsee et al. (2014) introduce the concept of lay rationalism, which measures the relative weight that an individual is placing on reason versus feelings when making a decision. According to traditional decision-making theory, people who have a choice between two options with the same costs, will always decide for the option with the highest utility and expected outcome (Bossert & Suzumura, 2010; Kahneman, 1994). Following this logic, decision-makers are assumed to have a lay notion of rationality, referring to a notion of using rational reasons rather than feelings when forming judgements (Hsee et al., 2014; Hsee, Zhang, Yu, & Xi, 2003). However, evidence shows that individuals differ in their actual tendency to base their decisions solely on reason versus feelings (Hsee & Rottenstreich, 2004). While some people rely largely on facts and functions when evaluating choices, others rather listen to their own feelings and take affect-driven decisions (Frederick, 2005; Hsee & Rottenstreich, 2004; Kahneman, Knetsch, & Thaler, 1986; Loewenstein, 1996). Traditionally, reason and feelings were seen as antagonists among philosophers and researchers, with emotional feelings representing an obstacle to listen to reason (e.g. Gibran, 1923).

In fact, many decisions a consumer is facing indeed involve a trade-off, with some alternatives appealing to reason (e.g. a phone with better functionalities), and others appealing to personal feelings (e.g. a phone with a better look) (Hsee et al., 2014).

Individual difference variables and their power to predict behaviour and attitudes have been extensively studied in consumer and psychology research (e.g., Bearden, Hardesty, & Rose, 2001; Tangney, Baumeister, & Boone, 2004).
In their research, Hsee et al., (2014) investigate lay rationalism as an individual difference variable, as well as its ability to predict consumer-relevant behaviours. Specifically, the tested behavioural variables include an individual's product preference, savings decision, as well as donation tendency. Their study results indicate that lay rationalistic people have a higher preference for utilitarian goods than hedonic ones, are more likely to save money rather than spend it and are less inclined to engage in charitable donations (Hsee et al., 2014).
Colloquially speaking, lay rationalistic people rather listen to 'their head' instead of 'their heart' when making a decision, thereby influencing the final attitude formation. Based on this characteristic, this study forwards the assumption that for lay rationalistic individuals, the influence of the country-of-origin image is less pronounced when making a purchase than for people relying on their feelings. The argumentation underlying this assumption will be outlined in the following.

The stream of research investigating the influence of consumer involvement with a product category on the importance of country image when forming an attitude (Josiassen et al., 2013; Petty & Cacioppo, 1979) is often referring to the so-called elaboration-likelihood model (ELM). The ELM postulates that consumers' evaluations as well as their tendency to use country image as an information cue is dependent on whether they follow a 'central' versus a 'peripheral route' to persuasion (Petty & Cacioppo, 1984; Petty, Cacioppo, & Schumann, 1983). Consumers using a central route formulate their judgments by comprehending and analysing relevant information, thereby exerting a considerable amount of cognitive effort. In contrast, consumers taking the peripheral route base their decisions on easily accessible information, without conducting an in-depth analysis to form an attitude. Generally, the ELM holds that consumers have a higher tendency to utilize the central route in cases where they show a high product involvement, while a peripheral route is rather employed in low-involvement circumstances (Petty et al., 1983). Since the country-of-origin image usually serves as a salient and easily accessible information cue, some researchers argue that consumers specifically rely on a country's origin image for the evaluation of low involvement products (e.g., Gürhan-Canli & Maheswaran, 2000; Han, 1989).

Drawing upon the heuristics-systematic model, Chang's (2004) study follows a similar argument. The researcher argues that a country's image, including the learned beliefs and knowledge about a specific country, generally serves as a heuristic cue when making a purchase decision, leading to an evaluation bias. This is specifically the case, when the individual is lacking the motivation to process product information.

According to the heuristic-systematic model, persuasion can either occur through heuristic or systematic processing (Chaiken, 1980; Chaiken & Eagly, 1983). Requiring a minimum of cognitive efforts, individuals adopting a heuristic mode of processing rather rely on easily accessible information or cognitive heuristics to build an opinion (Maheswaran, Mackie, & Chaiken, 1992), while the systematic mode of processing postulates the exertion of a significant amount of cognitive effort, with a critical assessment of relevant information cues. Judgments are formed by comprehending and carefully analysing messages. The individual's tendency to engage in systematic processing, which is similar to taking the central route in the ELM, was found to be influenced by situational factors, such as personal relevance (e.g., Hazlewood & Chaiken, 1990), message involvement (e.g. Axsom, Yates, & Chaiken, 1987), and perceived consequences (e.g. Chaiken, 1980), which are all likely to increase the individual's motivation to form accurate judgments. Within the heuristic-systematic model, Chang (2004) contends that country-of-origin beliefs function as heuristic decision rules, that are employed when the individual is not motivated to critically assess product information. While several researchers classify the country-of-origin image as a heuristic and easily accessible information cue, Verlegh and Steekamp (1999) regard it as an image attribute, reinforcing a consumer's affective association with a product or brand, by providing rich product-country imagery, thereby strengthening the emotional attachment (Askegaard & Ger, 1998). Through product-unrelated factors, such as personal experiences, consumers can create a strong sympathy for a nation, which in turn can have a significant influence on consumers' perceptions and preferences (Lefkoff-Hagius & Mason, 1993).

With regards to a consumer's evaluation of a product or service and the above mentioned assertions, we assume that lay rationalistic people tend to take the central route to persuasion and engage in systematic processing, while people that place more weight on their feelings are rather inclined to take the peripheral route to persuasion, thereby applying a heuristic processing approach. Since lay rationalistic people use 'reason' rather than 'feelings' to arrive at a decision, we assume that they are highly motivated to critically assess the situation by analysing relevant information. In contrast, people judging by feelings are assumed to not engage in information processing, but rather rely on heuristic cues, such as brand name or the country-of-origin image, with the latter one being able to trigger affective associations and emotional attachment through nation sympathy (Verlegh & Steenkamp, 1999). Accordingly, we put forth the following hypothesis:

*H7: Lay rationalism has a negative influence on the relationship between country-of-origin image and narrow-scope trust, with the relationship being weaker for lay rationalistic people.*

**Word-of-Mouth and Country-of-Origin Image**

In an environment which is marked by decreasing consumer trust towards companies, their advertisements, as well as their offered products and services, informal information exchange between individuals has become an important mechanism for achieving competitive advantage (Jalilvand & Samiei, 2012). While word-of-mouth communication is commonly defined as an exchange of information or a conversation between two individuals, an early definition of Arndt (1967, p. 5) goes a step further by claiming that word-of-mouth advice is an "[...] oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, concerning a brand, a product, or a service." The informal information exchange is expected to happen among people that lack a commercial bias, and thus "[…] have no incentive to distort the truth in favour of a product or service" (Silverman, 2001, p. 25). Being one of the oldest means of exchanging information and opinions, word-of-mouth can occur in several different ways, including face-to-face interaction, via e-mail, or through telephone conversations (Silverman, 2001). The sources of advice can hereby be of a personal or impersonal nature. Personal sources include family, friends, and acquaintances (Brown & Reingen, 1987; Duhan, Johnson, Wilcox, & Harrell, 1997), whereas reviews in magazines and newspapers, articles by journalists as well as discussions on online platforms are recognized as impersonal word-of-mouth vehicles (Goyette, Ricard, Bergeron, & Marticotte, 2010). Generally, word-of-mouth may be of a positive nature, encouraging brand choice, or of a negative nature, discouraging brand choice (East, Hammond, & Lomax, 2008).

The effectiveness of word-of-mouth communication compared to traditional advertising measures has been extensively investigated in the past. Early research by Katz and Lazarsfeld (1955) shows that the effectiveness of word-of-mouth communications is roughly seven times higher than traditional newspaper ads, four times higher than direct sales and twice as high as radio advertising (Goyette et al., 2010). Also, the researchers Day (1971) and Morin (1983) confirm the influential power of word-of-mouth communications. Based on his studies, Day (1971) claims that compared to traditional advertising, word-of-mouth is nine times more effective in forming favourable attitudes, whereas Morin (1983) estimates that recommendations given by acquaintances are up to three times more effective in motivating product purchases.
The emergence of the internet as well as the establishment of further information technologies have facilitated the word-of-mouth processes, providing the consumer with more options to exchange and collect consumption-related information and experiences (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004) . Representing a less personal and more ubiquitous form of word-of-mouth, electronic word-of-mouth is defined as “[...] any positive or negative statement made by potential, actual, or former customers about a product or company which is made available to a multitude of the people and institutions via the internet” (Hennig-Thurau et al., 2004, p. 5). Taking place on online platforms, such as social media channels, discussion boards or web blogs, electronic word-of-mouth gives the individual the chance to provide and receive meaningful feedback from others (Hennig-Thurau et al., 2004). Due to its high reach and great accessibility, this newer type of word-of-mouth has been considered to be even more effective than the traditional word-of-mouth in the offline world (Chatterjee & Chaudhuri, 2005).

The different types of word-of-mouth communication as well as their effect on consumer behaviour have been repeatedly researched in marketing literature. Studies have demonstrated that the occurrence of word-of-mouth is positively associated with service quality ( a Parasuraman, Zeithaml, & Berry, 1988), consumer trust (Laroche et al., 2003), satisfaction (Anderson, 1998), perceived value (Hartline & Jones, 1996), and purchase intention (Crocker, 1986; Goyette et al., 2010).
Studies concerned with the respective impact of negative and positive word-of-mouth on consumer behaviour show mixed results. While some researchers hold the belief that negative advice is generally more influential than a positive one (Arndt, 1967; Assael, 1998), East et al. (2008) find in their study that positive word-of-mouth has a slightly greater effect. The researchers stress that the impact of negative and positive advice is dependent on the individual's pre-purchase probability. If the pre-purchase probability is identified to be below 0,5%, positive word-of-mouth would leave 'more room for change' compared to negative word-of-mouth. This logic is based on Fiske's (1980) observation that the bigger the gap is between the position held by the receiver and the position implied by the transmitter, the greater is the word-of-mouth effect. If an individual holds the view that a brand is unreliable, positive word-of-mouth has a greater impact on brand choice than a negative advice, simply since unreliability is already assumed anyways (East et al., 2008).

Numerous studies have paid specific attention to word-of-mouth effects in a service purchase context. Considering the intangibility of services and the resulting inability of making a pre-purchase trial, word-of-mouth is of particular importance for service organizations, especially when services are perceived as complex or risky (Zeithaml & Bitner, 1996).
Taking this into consideration, several researchers set their focus on the tourism industry, recognizing the importance of interpersonal communication among tourists (Litvin, Blose, & Laird, 2005). Studying wine tourism in Australia, O'Neill et al. (2002) come to the conclusion that visitors' word-of-mouth recommendations predominantly impacted overall wine sales, while Litvin et al. (2005) find that tourists' base their restaurant selections strongly on word-of-mouth recommendations of opinion leaders, rather than trusting traditional media. Furthermore, Vermeulen and Seegers (2009) study the impact of online reviews on travellers' attitudes toward hotels. Their studies reveal that the exposure to online reviews creates a greater awareness of hotels and leads to a positive attitude toward these. Investigating the

impact of electronic word-of-mouth on tourism destination choice, Jalilvand & Samiei (2012) conclude that it has a positive and direct impact on tourists' attitude toward visiting an Iranian city, as well as their overall intention to travel to an Islamic destination.

Reviewing past researches in marketing literature, various studies indicate a significant impact of word-of-mouth recommendations on the attitude formation of individuals. Considering that the country-of-origin image is based on individual perceptions and that "[...] an attitude towards the people of a given country is a factor in existing preconceptions regarding the products of that country [...]" (Schooler, 1965, p. 395), it is reasonable to assume that the exposure to a positive word-of-mouth also has a positive influence on the country-of-origin formation of individuals. While Mazursky and Jacoby (1986) argue that an image consists of a set of cognitions and affects, Um and Crompton (1990) show that the cognitive components of image formation are likely to be influenced by various information sources and social stimuli, such as recommendations given by friends and family or exposure to word-of-mouth. Consequently, we advance the following hypothesis:

*H8: Word-of-mouth has a positive influence on country-of-origin image.*

**Media Exposure and Country-of-Origin Image**

The emergence of new media and the individual's exposure to a wealth of media channels, has facilitated the accessibility of information and therefore became a subject of interest to many marketing scholars (Cappella, 1997; Cappella, 2002; De Vreese & Semetko, 2002; Putnam, 2000). Generally, media refers to information being transmitted to a broader group of people over channels such as the internet, magazines, newspapers, radio or television (Petty, Brinol, & Priester, 2009). The mass media communications industry can be divided into different components, including, amongst others, print media, news media, and advertising. The influential effect of media communications on attitude formation and peoples' behaviour has been acknowledged by numerous social scientists. Even early research by Lasswell (1927) who analyses the effects of media communication during World War One, recognizes the power of mass communication. Lasswell (1927) comes to the conclusion that "[...] propaganda is one of the most powerful instrumentalities in the modern world [...]" (p. 220). Also, contemporary research underlines the importance of media communications on attitude formation. In a political context, studies find that the type of news provided by modern media, as well as heavy media usage itself, has a significant impact on political trust (Cappella, 1997; Cappella, 2002; De Vreese & Semetko, 2002; Putnam, 2000). In the same way, Hester & Gibson (2003) demonstrate that exposure to economic news framed as negative, was a reliable predictor of consumers' expectations regarding the future of the economy. Focusing on media effects for for-profit entities, various studies confirm the critical role of media in influencing companies' reputations. Specifically, while negative media coverage is considered to be harmful, positive news have the potential to enhance the corporate reputation (Kennedy, 2008; King, 2008; Wartick, 1992).

Although the term 'media' is of a relatively broad nature, comprising not only commercial efforts, but also news- or print media, this research will pay special attention to advertising as a form of media exposure. This decision is in line with the motivation of this research, which is, amongst others, to test potential drivers of the country-of-origin image and based on these, provide practical implications for service companies that might suffer from an unfavourable country-of-origin image.

Being a pivotal element of marketing communication, advertising is used to capture the attention of individuals and influence their decision-making process when making a purchase (Belch & Belch, 2003; Cengiz, Ayyildiz, & Er, 2007). According to Belch and Belch (2003), advertising can be described as a type of paid non-personal communication about a brand, its products and services, with the goal to influence consumers in forming a favourable product image and thus purchase decision. The importance of advertising as well as the question of how it affects consumer behaviour have been extensively researched in marketing literature. A review of existing studies uncovers that most research on advertising can be clustered into three groups, either focusing on the cognitive, affective or individual behavioural effects of advertising, relative to the degree of exposure (e.g., Drèze & Hussherr, 2003; Gallagher, Foster, & Parsons, 2001).

Several academics examine the cognitive effects of advertising, relating to aspects such as the recall of the advertisement, recall of the brand name as well as general brand awareness (Hauser & Wernerfelt, 1990; Morden, 1993). For example, Hauser and Wernerfeldt (1990) find that advertising is a powerful tool when it comes t o increasing brand awareness while it also helps to create strong brand associations. Furthermore, their study indicates that repetitive advertising exposure increases brand recall and the chance that a brand is included in a consumer's set of considerations. This finding is confirmed by Upeksha (2017), who illustrates that social media advertising has a positive influence on brand awareness.

A second stream of research is conducted on the affective effects of advertising exposure, such as an individual's attitude towards the brand, product, the advertisement as well as the advertisement's sponsor. In this context, Mehta (2000) comes to the conclusion that respondents with a more favourable attitude towards the advertisement also recall a higher number of these and are successfully persuaded by them.

Next to the affective aspects, individual behavioural effects that were frequently researched include advertisements' influence on brand choice behaviour (Erdem, Keane, & Sun, 2008; Mela, Gupta, & Lehmann, 1997), purchase intention (Kamins & Marks, 1987; Manchanda, Dubé, Goh, & Chintagunta, 2006), likelihood to switch brands (Deighton et al, 1994), as well as the creation of brand loyalty (Agrawal, 1996; Yoon et al., 1996). Yoo et al. (2000) illustrate that a higher investment in advertising does not only lead to a significant increase in brand loyalty, but also to a higher perceived quality. Moorthy and Zhao (2000) come to a similar conclusion. The results of their study indicate a clear, positive relationship between the level of advertising investment and perceived quality, even after accounting for objective quality, price and market share. The fact that advertising is an important extrinsic cue for signalling superior product quality has already been recognized in early research (Milgrom & Roberts, 1986). In addition, previous literature detects a positive relationship between advertising levels and brand equity, with more advertising leading to a higher brand equity, including the dimensions of perceived quality, brand association, brand loyalty and brand awareness (Aaker, 1991; Cobb-Walgren, Ruble, & Donthu, 1995; Simon & Sullivan, 1993).

Effective advertising is generally related to superior firm performance, resulting from a higher perception of product quality, as well as a greater loyalty and brand awareness (Light & Morgan, 1994). According to the view of the brand image school (Joyce, 1967; Ogilvy, 1963), advertising has mainly the function to create a certain image and symbolism around a product or brand, resulting in a closer relationship with the consumer. Intuitive and emotional feelings about brands as well as the meanings and images attached to them are steering brand choice. Following this view, Neiderhauser (2013) recognizes successful advertisement as the main driver of brand leadership and brand image.

While most of the previous literature focuses on the effects of advertising in a product- or firm-context, it is reasonable to assume that media exposure in the form of advertising does not only positively impact a brand's image, but also a country's image. While a commonly accepted definition of an image refers to it as a set of ideas, beliefs and impressions that an individual has of a specific place or object (Kotler, Haider, & Rein, 1993), Mazursky and Jacoby (1986) define it as a set of affects and cognitions that develop over time by processing information from various sources. Following this assumption, Um and Crompton's (1990) claim that the perceptual and cognitive beliefs and attitudes are influenced by external stimuli, including diverse information sources. These can come in the form of symbolic stimuli (promotional efforts) or social stimuli (recommendations of family and friends). Gartner (1993) supports this finding and further stresses that the amount of external information provided can influence the cognitive formation of an image, more than the affective one. Providing practical evidence for the above outlined assertions, Bojanic (1991) studies the role of advertising in the formation of destination image. Following the assumption that the attractiveness of tourism destinations is dependent on the favourableness of perceptions, Bojanic's (1991) study examines tourists' attitudes towards a country in Southern Europe, based on the amount of advertising respondents have been exposed to. The author stresses that destinations should focus on unique attributes in building their image, since physical attributes cannot be greatly altered. The study results indicate that individuals with a higher degree of advertising exposure indeed report a more favourable destination image (Bojanic, 1991).

Building on Bojanic's (1991) finding as well as the argumentation of researchers presented above, we assert that a greater exposure to media, such as advertising, also leads to an enhanced country image. Hence, we forward the following hypothesis:

*H9: Media exposure has a positive influence on country-of-origin image.*

**Cultural Openness and Country-of-Origin Image**

The affective, social-psychological concept of cultural openness and its influence on consumers' behaviour and perceptions is a vital, and yet not extensively researched cue in international marketing literature. Based on relevant research, it is generally defined as the „[…] acceptance and tolerance towards other cultures“ (Jiménez & San-Martin, 2016, p. 351; Shankarmahesh, 2006; Sharma et al., 1994) and more specifically as „[…] an interest and willingness to interact with people of other nationalities and to experience their customs and ways of life, learn other languages and travel to other countries“ (Altintaş & Tokol, 2007; Jiménez & San-Martin, 2016, p. 351; Shankarmahesh, 2006). Several studies promote the likelihood that consumers, who are more open to foreign cultures, also consume more foreign products (Javalgi, Khare, Gross, & Scherer, 2005; Sharma et al., 1994).

Sharma, Shimp and Shin (1994) hypothesised that, as "individuals differ in terms of their experience with and openness toward […] other cultures, the opportunity to interact with other cultures can have the effect of reducing cultural prejudice" (p.28) and can lead to a higher degree of acceptance towards foreign products (Altintaş & Tokol, 2007). The authors empirically tested correlations between several traits, one of which being the level of a subject's cultural openness, and their respective ethnocentric tendencies. Thereby, they found a negative correlation between cultural openness and consumer ethnocentrism, meaning that "[…] individuals who are open to other cultures are less ethnocentric" (Sharma et al., 1994, p. 33). While their research on theoretical antecedents of consumer ethnocentrism focuses solely on the product sector, it serves as a point of departure for further studies, like for instance the work of De Ruyter, Van Birgelen and Wetzels (1998). The authors conducted their empirical research as an extension of Shimp's, Sharma's and Shin's (1994) study, focusing on the service sector. Similar to their predecessors in the product sector, they found that "ethnocentric consumers are reluctant to make use of services provided by foreign companies, because of a sense of loyalty towards their home country" (De Ruyter et al., 1998, p. 185). Both studies investigate the influence that cultural openness has on the relatively new concept of consumer ethnocentrism, which has its roots in sociology (De Ruyter et al., 1998; Sumner, 1906) and describes an individual's preference for domestic products regardless of whether they are superior to products from international sources, or not. While study results find cultural openness to have a significant influence on consumers' ethnocentric tendencies, they are not the only researchers to investigate the concept as an antecedent of other country-induced predispositions of consumers. Along with animosity, cultural openness is a determining factor of consumer behaviour in general (Dmitrovic, Vida, & Reardon, 2009; Klein et al., 1998) and individual cultural openness "[…] provides a global view of the society and the market, stimulates social and cultural integration and diminishes the negative bias toward foreign products and firms" (Jiménez & San-Martin, 2016, p. 357) in particular. As opposed to animosity, cultural openness stimulates consumers to perceive more positive than negative signals from foreign countries. In fact, d'Astous et al. (2008) find that cultural openness is closely associated with favourable product-country perceptions. As cultural openness enhances the degree of consumers' interest in all things a foreign country has to offer (e.g. people, goods, services etc) and as consumers' awareness about other cultures increases, they are likely to search for a more diverse spectrum of information about foreign countries and products (Okechuku, 1994; Schaefer, 1997), which in turn influence their perception of a country's image. Accordingly, and based on the related previous literature, we postulate that:

*H10: Cultural openness has a positive influence on country-of-origin image.*

# 4. Research Method

The research processes of this study take departure in the formulation of the research question, which naturally led to the subsequent steps. First of all, relevant literature on country-of-origin image and narrow-scope trust has been reviewed to identify potentially relevant variables that are to be examined in this research. Second, a thorough literature review has been conducted, establishing an overview of existing research material about the topic of interest. Based on this, hypotheses have been postulated, indicating assumed relationships between variables. After the research design has been determined, the questionnaire targeting the end consumer has been created and hereafter, pre-tested to uncover and eliminate any potential problems. After adjustments have been made, necessary data has been collected and subsequently analysed. The following sections will provide a brief overview about the context of the industry at hand and the theory of science which this research is based on, as well as further transparency on the individual research steps respectively.

## 4.1. Research Context – The Airline Industry

As mentioned earlier, the main purpose of this academic work lies in analysing the potential influence of the country-of-origin image on the formation of narrow-scope trust, with the further intent to derive both theoretical and practical implications. For this purpose, the service sector has been chosen as a research context, focusing on the airline industry in particular. As outlined in the introduction section (section 1.1), the service sector and especially the airline company EgyptAir have been chosen for several reasons. First of all, the service sector is continuously growing in size and relevance. According to the World Bank, it accounted for nearly 65% of the world gross domestic product in 2018 and has been further growing since (World Bank, 2018). Despite its increasing relevance, the majority of country-of-origin literature focuses on product industries, with only a few scholars investigating country effects in a service context. Furthermore, conducting the study in an industry where country image effects might be of particular relevance for trust formation was desired by the researchers, as it promises to behold interesting practical implications. Generally, the intangible nature of services makes those susceptible to a higher purchase risk, as a physical pre-inspection of the desired offering is not possible and an evaluation of service quality is only done once the service has been consumed (De Ruyter et al., 2001; McDougall & Snetsinger, 1990). Consequently, consumers might engage in extensive search for relevant information beforehand and decrease their perceived level of uncertainty, by presumably also considering country image perceptions. Additionally, as flight services involve a physical risk, it would be reasonable to assume an even higher motivation of consumers to engage in information search, when purchasing a flight ticket. Therefore, we, as researchers, identify the airline industry to be an interesting and reasonable research context for our research efforts within this theoretical field. Further, 89% of all German citizens have boarded an airplane in the past, representing a fairly large population to draw a sample from (Rheinische Post, 2013).

Throughout the past years, the airline industry has experienced substantial growth, and flying became of tremendous importance to modern society (Rosen, 2018). Due to the rise of globalization worldwide with firms conducting business internationally and migration rates rising, the demand for air transportation has been increasing and international air travel has become more and more relevant. The aggressive growth of low-cost carriers has led to the availability of extremely low air fares which made flight services accessible to a vast range of people and turning the airplane into a favoured means of transportation (Rosen, 2018). Transforming into a commodity service, the commercial airline industry has recorded worldwide revenues of 838 billion US dollars in 2019, more than twice as much as in 2003 (Statista, 2020). In terms of passengers carried, 4.5 billion scheduled passengers boarded an airplane in the year 2019 (Statista, 2019b). Also, the frequency in which individuals commence flights has been increasing. According to the International Air Transport Association (2009), nowadays the average American citizen flies once every 22 months, compared to the year 2000, when they have been reported to fly only once every 43 months (Rosen, 2018). However, this trend might come to a halt, as the airline industry is highly susceptible to external factors such as environmental concerns or economic downturns (Wang, Wei; Cole, Shu; Chancellor, 2016). Further challenges the industry has experienced include natural hazards, like the Islandic ash cloud in 2010, or terrorism issues, like the 9/11 attacks, both leading to a decrease in consumer demand and revenue numbers respectively (Clark, McGibany, & Myers, 2009).

With the accident rate amounting to a small 0.15 per one million flights, the aviation industry is acknowledged to be the safest transportation method available (IATA, 2019). A report published by Boeing company claims that "travelling by commercial airplane is 22 times safer than driving an automobile on a per-mile basis" (Ackman, 2001, p. 2). However, despite the airlines' claim that security is their 'top one priority' (IATA, 2019), a considerable amount of people is experiencing feelings of anxiety when boarding an aircraft. Estimates suggest that 25% of all Americans feel somehow nervous about flying (Seaney, 2013), while a recent survey conducted among Italian respondents uncovered that 48% of all participants feared an aircraft fault (Statista, 2019c). A report by Krijin et al. (2007) claims that 13,2% of the general population experience some kind of flying-related phobia. Worries about safety are further intensified by the media extensively discussing any abnormality despite its rare occurrence, like accidents or terrorist attacks (Bor & Van Gerwen, 2003). While technological innovations and advancements are publicly communicated, such as the planned launch of the Boeing 777X in 2021 which will be the world's largest and most efficient twin-engine jet, setting new efficiency and environmental standards, the magnitude of media covering negative events is far more influential, spurring further scepticism among consumers. Consequently, the severe negative occurrences are historically followed by extreme demand fluctuations and a plunging of realized revenues (Wang, Wei; Cole, Shu; Chancellor, 2016).

Being such an essential and still controversial industry, international air travel represents an interesting context for researching country-induced predispositions and their potential influence on narrow-scope trust formation.

## 4.2. Theory of Science

While over the years researchers and philosophers of science denoted multiple meanings to the term 'paradigm' (Kuhn, 1962; Rossman & Rallis, 2016; Saunders, Thornhill, & Lewis, 2009), this academic work follows Saunders et al.'s (2009) definition of it as "[…] a way of examining social phenomena from which particular understandings of these phenomena can be gained and explanations attempted" (p.118). In other words, paradigms provide insights in "[…] the political or ideological orientation of researchers towards the social world they investigate" (Burrell & Morgan, 1979; Saunders et al., 2009, p. 132) and help with the identification of assumptions and potential paths to follow when developing knowledge. This section seeks to explain how we, as researchers, perceive the world. Further, it examines the beliefs we base the development of knowledge on throughout this study by touching upon our underlying "[…] assumptions about human knowledge (epistemological assumptions), about the realities [we, as researchers,] encounter in [our] research (ontological assumptions) and the extent and ways […] own values influence [our] research process (axiological assumptions)" (Saunders et al., 2009, p. 124). These considerations are important, as research has to be based on the researchers' awareness of the philosophical commitments that are made by choosing a specific research design. These will have significant influence on both, how research is conducted and on how results are interpreted later on (Johnson & Clark, 2006).

By following the four ideological dimensions (subjectivist, objectivist, radical change and regulatory perspective), Burrell and Morgan (1979) categorize social science paradigms into four main distinct and rival classes, namely functionalist, interpretative, radical structuralist and radical humanist. Characterized by objective traits and a problem-oriented research approach, the functionalist paradigm is most adequate to describe this academic work. Research in this paradigm, which is located on the objectivist and regulation dimensions, deals with rational explanations and findings are often generalized and applicable to other contexts (Burrell & Morgan, 1979), given that they are implemented and monitored correctly (Kelemen & Rumens, 2008). Further, the regulatory aspect of the functionalist paradigm can be identified throughout this academic research, as importance is ascribed to the identification of rational recommendations and implications resulting from the research, which can solve particular organizational problems without altering the current structure of an organization in question (Burrell & Morgan, 1979; Saunders et al., 2009).
For over half a decade, a fundamental philosophical discussion of the (in)commensurability of paradigms in the field of theory of science divided researchers in two clusters (Kuhn, 1962; Popper, 1994). Kuhn (1962) and later on also Feyerabend (1975) believed that, as distinct paradigms exist in separate worlds, these cannot communicate nor influence one another's reality. In line with this belief, Feyerabend (1975) argues that the translation and communication between theories is inhibited by the absence of a common measurement

standard (Saunders et al., 2009). Specifically, Feyerabend (1975) emphasizes that "despite how any two ontologically opposite theories might be commensurable [...] even if interpreted, these cannot be compared easily" (p.114). According to the presented arguments, scientific theories are complex or even impossible to compare.

Oppositely, Popper (1994) argues in favour of commensurability of paradigms, simply by applying several theoretical lenses which in their totality support each other. Further, he emphasizes that no paradigm has to be perceived as more suitable than another and acknowledges the complexity implied when connecting them and their inherently distinct epistemological strengths. Popper (1994) states that "[…] orthodoxy produced by intellectual fashions, specialization [...] is the death of knowledge, and that the growth of knowledge depends entirely on disagreement" (p. 34). That is, the development of knowledge is impeded if it cannot be assured that paradigms can transmit meaning interchangeably.

Adhering to multiple paradigms would allow us to apply several data collection methods and hence broaden the spectrum of potential ways to answer the problem formulation. Further, one could argue that the world is so complex that dual interpretations of reality often co-exist, but that they refer to the same actual reality. However, in line with the functionalist paradigm and the ontological position of objectivism, this study takes a positivistic stance, assuming an observable social reality to obtain concrete generalizations.

The term 'positivism' refers to what is 'posited', i.e. 'given', which "[…] emphasizes the positivist focus on strictly scientific empiricist method designed to yield pure data and facts uninfluenced by human interpretation or bias" (Saunders et al., 2009, p. 136). This academic work is suitable for the positivist stance since a comprehensive literature review comprising the fields of country-of-origin image and narrow-scope trust (here also including brand trust as its identified subcategory) was constructed prior to outlining a strategic data collection approach. Thereby, existing theories were used to develop both, the theoretical framework and the hypotheses. As a final step, the respective hypotheses were tested and either confirmed or rejected, resulting in the further development of theory which then raised potential for even further research. From an axiological perspective, as researchers, we remained, to the best of our abilities, "[…] neutral and detached from [our] research and data in order to avoid influencing [our] findings" (Crotty, 1998; Saunders et al., 2009, p. 137). In line with this conceptualization, literature on positivism as a research philosophy emphasizes that the researchers have to be neither affected by nor can they affect the subject of the research and can therefore be seen as independent from their academic work (Crotty, 1998; Gill & Johnson, 2002; Johnson & Clark, 2006; Saunders et al., 2009). Further, the collected data represents empirical observations as an internet-based questionnaire has been designed and utilized and the resulting findings are based on an objective statistical data analysis. Finally, by constructing and making use of a highly structured methodology, this study facilitates replication (Gill & Johnson, 2002).

## 4.3. Research Design

In order to study the relationship between country-of-origin image and narrow-scope trust, including possible antecedents, outcomes and moderator variables, a conclusive research design has been chosen. Representing a more structured and formal approach, the conclusive design aims at testing specific hypotheses and describing phenomena by examining relationships (Malhotra, Nunan, & Birks, 2017). According to Parasuraman, Grewal and Krishnan (2006), who also refer to it as 'confirmatory research', the chosen design is specifically suitable for studies in which several variables need to be checked, justifying the application in this academic work.

Specifically, in order to draw accurate conclusions about the relationship between country-of-origin image and narrow-scope trust, as well as potential antecedents, predicted outcomes and moderators, a causal research approach has been employed (Malhotra et al., 2017). Causal relationships have been uncovered by establishing a framework of dependent and independent variables which have been quantified and tested empirically. Furthermore, researches can either employ an inductive or a deductive design. The inductive method is based on the assumption that scientific knowledge can be created by observing a given object of study, further leading to a proposal of theoretical foundations (Chalmers, 1999). In the deductive method in contrast, scientists build on prior knowledge, existing theories and laws to predict the behaviour of the variables of interest. While the inductive method necessitates an empirical basis, the deductive one starts from universal theories and existing literature to propose explanations for a given phenomenon. Following the latter approach, this study is using deduction, implying that new knowledge is built through existing theories and laws, which eventually helps to predict the behaviour of the study's object (Dresch, Lacerda, & Antunes, 2015).

Further, this study is employing a quantitative research method. In order to derive meaningful hypotheses and test those empirically, secondary as well as primary data has been collected. The findings of the former are laid out in an extensive literature review, while the latter serves as an important basis for quantitative analysis, which will be elaborated on in the following.

### 4.3.1. Time Horizon

Generally, data can be collected using a cross-sectional or a longitudinal approach. While in a cross-sectional design, data are only collected once from a specified sample, the longitudinal approach involves the repeated gathering of information over an extended period of time (Malhotra et al., 2017). Cross-sectional designs can be further classified into single cross-sectional designs, drawing only one sample from the target population, and multiple cross-sectional designs, relying on two or more samples of participants and drawing data from each sample only once. While the cross-sectional approach aims to provide a snapshot of variables at a single point in time, a longitudinal study is rather concerned with uncovering changes occurring over a period of time (Malhotra et al., 2017). In this research, collected data should give insights into the influential effect of the country-of-origin image on narrow-scope trust at the current point in time. Consequently, a single cross-sectional design was employed. Data was collected only once from one specified sample of participants, ideally representing the target population.

## 4.4. Data Collection

The subsequent sections will provide transparency of the data collection methods applied in this study, including primary as well as secondary data. Afterwards, their reliability and validity will be elaborated on respectively.

### 4.4.1. Primary Data Collection

Theory holds that a conclusive research design is mainly associated with the application of a quantitative research method (Creswell, 2014). Accordingly, postulated hypotheses have been measured on appropriate instruments and relationships between variables have been analysed using statistical procedures. Furthermore, to identify appropriate variables, a pre-test has been conducted, including both, the collection of quantitative as well as qualitative data. In the following, the applied data collection methods will be elaborated on.

#### *4.4.1.1. Quantitative Data Collection*

By using an online survey as the main tool for data collection, this study employs a non-experimental design (Creswell, 2014). The survey research enabled the provision of quantitative and numeric descriptions of behavioural characteristics, opinions or attitudes of consumers within the survey sample, from which generalizations to the target population could be drawn (Fowler, 2009). The online survey was chosen as an appropriate type of data collection procedure due to speed and convenience advantages (Sue & Ritter, 2012). Distributing the survey over the internet is a simple process, which could yield a large number of responses within a short time frame. Accordingly, a sufficiently large sample size could be obtained, being a prerequisite for making statistical inferences from the sample to the whole population (Malhotra et al., 2017). Sue and Ritter (2012) argue that online surveys are the most economical means of collecting data, since there are no set-up expenses and geographically dispersed individuals can be easily targeted. Furthermore, online surveys do not require the presence of the researcher when filling out the questionnaire, enabling the participants to finish the survey at their own pace and answer truthfully to the questions, thereby reducing a potential social desirability bias (Creswell, 2014). Lastly, obtained data are consistent, since responses are bound to the given set of alternatives (Dresch et al., 2015).

The online survey platform provided by the experience management company *Qualtrics* served as a survey instrument. Qualtrics' survey software was chosen as a suitable software, since it enabled the research team to easily create their own survey by using custom templates. In addition, the usage of the software program was not connected to any expenses and the generated results could be immediately reported in form of descriptive statistics and could conveniently be downloaded for further analysis.

**Survey Design**

By using survey measurement for obtaining information, a formal questionnaire was administered to a sample of the target population. Data were collected within a three-week period, starting on March 26th, 2020 and ending on April 11th, 2020. In total, the questionnaire comprised 44 questions, aimed at measuring the latent constructs postulated by the research framework. Participants were predominantly confronted with closed and fixed-response alternative questions, representing a range of predefined choices. Only one open question was posed, asking for the respondents' age. To test and quantify different constructs, the survey employed existing multi-item scales that were adopted from prior literature (Appendix C1). Some of the measurement scales had to be altered and adapted in order to suit the study's purpose and context. By utilizing a 7-point Likert scale, participants were asked to indicate their agreement or disagreement with a certain statement, while also having the option of choosing a median neutral standpoint of '4'. The use of fixed-response questions decreased the variability of results and further facilitated the analysis and interpretation of data (Malhotra et al., 2017).

Questions were asked in a predefined order and arranged in thematic clusters. First, the survey covers consumer perceptions about the airline industry in general and EgyptAir in particular. Second, questions relating to the consumers' individual characteristics and tendencies were posed. The survey ends with three classification questions, including the respondents' gender, age and profession. Since these can be considered sensitive topics, these questions were deliberately placed at the end of the survey to avoid a feeling of discomfort for the respondents (Malhotra et al., 2017).

To ensure data quality, an instructional manipulation check (IMC) was integrated in the middle of the questionnaire. A lack of motivation or ability of participants, can lead to reduced efforts or satisficing strategies, including straight-lining, acquiescence or choosing the first reasonable response (Krosnick, 1999; Vannette & Krosnick, 2014). The IMC question identified participants who did not carefully read instructions, so that these could be excluded from further analysis. To ensure a clear understanding for the respondents, all survey questions were translated into the German language. For this purpose, the back-translation method was applied, guaranteeing a correct translation of the questionnaire and avoiding any miscommunication. Following this technique, the original version of the survey questions, which were posed in English, was translated into the target language German. Afterwards, one bilingual person was engaged that blindly translated it back into the source. Eventually, a comparison of the two versions in the original language English was drawn to determine if they were identical (Shigenobu, 2007). Detected differences were reconciled by adapting the translation and enabling the conveyance of a proper message.

In order to minimize the amount of effort required from the study participants, the survey was kept short in length and required approximately 10 minutes to complete. Before distributing the survey to a wider audience, a pilot test was conducted. This testing is imperative to ensure content validity and potentially improve format, questions and scales (Creswell, 2014). Following this logic, four independently targeted individuals pre-tested the survey, and their feedback was incorporated into the final questionnaire.

**Survey Sampling**

The data was collected using the non-random sampling technique of convenience sampling. To achieve a sufficiently large sample size and reduce the sampling bias, the study further employed a snowball sampling method, by animating potential respondents to forward the questionnaire to their respective social networks, including family, friends and acquaintances (Robinson, 2014). According to Stevens (2012), an appropriate sample size for a standard ordinary least squares multiple regression analysis includes 15 cases per variable. Considering that the developed framework includes 11 variables that were tested throughout this study, a sample size of at least 165 respondents would be appropriate.

In order to achieve the desired number of viable survey responses, the survey was widely distributed through highly populated internet fora (e.g. Facebook and LinkedIn), as well as the researcher’s personal and online networks, yielding German-speaking respondents of any age, gender or flying habit. This approach resulted in an initial sample size of 286 respondents

in total, which was then subsequently screened. After eliminating incomplete and invalid data, a total of 205 completed responses built the base for further analysis.
The target population of this research was broadly defined as '*male and female individuals of German nationality*'. In order to ensure the representativeness of the sample and to draw valid conclusions about the target population, the age distribution of the sample aimed at reflecting the age distribution of German airplane passengers. Since no appropriate statistics could be found displaying this exact information, the age distribution of passengers leaving and landing at Heathrow Airport in London in the year 2018 was used as an approximation for the research sample. With 6.6 million passengers per month, the size of Heathrow International Airport is comparable to the Frankfurt International Airport in Germany (5.8 million passengers per month) (Appendix B2). Therefore, Heathrow Airport can be considered as an appropriate benchmark for the current research context.

#### *4.4.1.2. Pre-Test*

**Online Questionnaire**

In order to study the influential effect of country-of-origin image on narrow-scope trust formation, the questions posed to the participants in the quantitative research were linked to the Egyptian airline EgyptAir, which served as a reference company. To select an appropriate airline, a pre-test in the form of an online questionnaire was conducted. Listing a range of airlines as well as respective origin countries, participants were invited to indicate how much they trust each country and airline respectively, on a scale from 1 ('*I strongly distrust this airline*') to 5 ('*I strongly trust this airline*'). After examining the average trust scores that each airline and country obtained and due to the scope of this research study, EgyptAir was selected as an appropriate example, since respondents expressed distrust towards the airline as well as its origin country Egypt to the same extent.

**Focus Group Interviews**

In order to identify accurate variables for further empirical testing and subsequent answering of the research question, a pre-test in the form of a focus group interview was conducted. In total, five individuals participated in the group discussion, which were selected on a voluntary basis. The focus group discussion was held in an online environment, over the platform *Skype*. Group members were given sufficient time to reflect upon the questions and were invited to answer truthfully and honestly, according to their own intuition and feelings (Malhotra et al., 2017).

With a duration of 10 minutes, the interview was kept short, and participants were solely posed two questions, pertaining to their willingness to pay for a flight ticket with the German national air carrier *Lufthansa* as well as the Egyptian airline *EgyptAir* (Appendix A3). Given answers were incorporated in the online survey, in the form of predefined choice options for two questions, aiming to measure the willingness to pay construct of the research model.

#### *4.4.1.3. Reliability and Validity*

According to Golafshani (2003), the significance of quantitative research is "[...] to ensure replicability and repeatability of the result [...]" and guarantee that "[...] the measuring instrument measures what it is supposed to measure" (p. 598). Generally, reliability measures the consistency of results over time and the extent to which the total population is accurately represented by the sample. Kirk and Miller (1986) outline three types of reliability in quantitative research, namely (1) the degree to which a repeatedly given measurement remains consistent, (2) the stability of measurement over time and (3) the similarity of measurements within a given time period (pp. 41-42).

In order to meet these criteria and ensure the generalisability of the results, a fairly large sample size was obtained, comprising 286 respondents in total. Hereof, 81 responses were identified as invalid data and had to be eliminated from further analysis, thereby leading to a reduced sample size and reliability. However, the final sample of 205 participants still exceeds the recommended size of at least 165 responses (Stevens, 2012), and is therefore assumed to be reliable. Further representativeness is guaranteed by an appropriate age distribution of the sample, approximating the actual age distribution of the target population (Appendix B1).

Although the research team paid great attention to produce reliable results in this study, a different choice of sampling technique would have increased the generalisability of results even further. The application of non-probability sampling methods, including convenience- and snowball sampling lowered the reliability of the study results, since it prevents the establishment of valid inferences about the whole population. With the researchers' tendency to only question people from one's own network, a sampling bias was created. To work against this bias and also reach respondents outside of respective personal networks, participants were animated to distribute the survey among their social contacts, thereby producing a snowball effect.

In order to produce results that are representative of the target population, probability sampling methods such as a stratified or systematic sampling technique would have been more suitable (Golafshani, 2003). However, due to the scope and constraints of this study, the chosen sampling method is reasonable.

In contrast to reliability, validity determines the extent to which the research study truly measures what it was supposed to measure and how truthful the results are (Joppe, 2000). In quantitative research, validity is oftentimes referred to as ‘construct validity’, pointing to the initial concept, research question or hypotheses, that determine which data is to be gathered and the kind of data collection instrument that is used (Wainer & Braun, 1988).
Validity of study results was ensured, by the application of well-established research instruments, enabling a proper collection as well as statistical analysis of data. However, the employment of convenience sampling methods does not only negatively impact a study’s reliability, but also impedes its validity. Since not every member of the population had the same chance to be selected for the survey, it is impossible to draw inferences about the target population with full certainty.

### 4.4.2. Secondary Data

Defined as “[...] data that have already been collected for purposes other than the problem at hand”, secondary data is an essential component of a strong research design and should be examined prior to collecting primary data. According to Malhotra et al. (2017) “[...] the act of sourcing, evaluating and analysing secondary data can realise great insights for decision-makers” (p. 109). Furthermore, it is stressed that the gathering of available secondary data is a crucial prerequisite, since it helps to successfully diagnose problems and builds a good basis for further data collection (Malhotra et al., 2017). Hence, prior to collecting primary data, relevant external secondary data was located and analysed. For this purpose, existing studies pertaining to the country-of-origin effect, including its components, influence and moderators, as well as the role of trust have been reviewed and critical findings have been outlined.
In order to ensure that the reviewed data is reliable, valid and generalisable to the research question, only material from high quality and reputable data sources was considered, including accredited journals, papers and global databases. Furthermore, it was paid great attention to solely employ accurate and updated data to guarantee validity (Malhotra et al., 2017). By supporting the secondary data collected with the primary one, the overall reliability and validity of this research has been improved (Creswell, 2003).

# 5. Analysis

The following section describes the quantitative analysis conducted, including statistical procedures and corresponding results.

## 5.1. Sample Profile

In total, the online survey yielded 286 responses of which 205 were used for further analysis, after the data had been cleaned of respondents who either did not match the pre-defined criteria or did not finish the survey. Comprising 48% male and 52% female respondents, the gender-split of the sample can be considered representative, as it approximates the gender distribution of the target population (Appendix B1, Table 1).The majority of participants (24,39%) are between 25 and 34 years old, while the smallest group is represented by people at the age of 65 years and over (11,71%). This observation is in line with the age distribution of the target population, that the sample tries to approximate (Appendix B1). Taking a closer look at the stated occupations of the respondents, the majority are either professionals (47,32%), students (24,88%) or retirees (22,93%). Table 1 provides a comprehensive overview of these descriptive statistics.

| **Demographics** | | | |
|---|---|---|---|
| | | **Frequency** | **Percent** |
| **Gender** | *Female* | 107 | 52,20% |
| | *Male* | 98 | 47,80% |
| | *Total* | 205 | 100,00% |
| **Age** | *16-24* | 29 | 14,15% |
| | *25-34* | 50 | 24,39% |
| | *35-44* | 32 | 15,61% |
| | *45-54* | 33 | 16,10% |
| | *55-64* | 37 | 18,05% |
| | *65 and over* | 24 | 11,71% |
| **Occupation** | *Student* | 51 | 24,88% |
| | *Professional* | 97 | 47,32% |
| | *Retired* | 47 | 22,93% |
| | *Unemployed* | 3 | 1,46% |
| | *Other* | 7 | 3,41% |

Table 1: Demographics of Survey Sample

## 5.2. Results

As a first step, the obtained 286 responses have been screened and invalid data has been removed. In total, 40 partially completed responses were eliminated. Furthermore, 36 participants who did not answer the IMC questions correctly as well as four participants who did not possess the German citizenship were not included in further analysis. After screening and cleaning the data, a quantitative analysis has been conducted on the remaining data set of 205 responses. The analysis has been performed in the Statistics software SPSS 19 by IBM, in the form of a linear regression. Prior to performing the analysis, the regression assumptions of normality, linearity, homoscedasticity as well as an absence of multicollinearity were tested in order to ensure data validity and correct inferences from analysis results on the target population. First, the distribution of the collected data was examined. Every statistical model has residual variables, or "disturbance terms", referring to random errors that are produced when the model does not accurately predict the relationship between independent and dependent variables. To ensure a correct significance testing, it is important that these residual variables are normally distributed, thereby taking a bell-curved shape (Jarque & Bera, 1980). According to the Shapiro Wilk test, normality was only partially confirmed, as p-values indicate that the three variables *narrow-scope trust, willingness to pay* and *performance risk* seem to violate the normality assumption. Even after applying the commonly used technique in such cases of logarithmizing the dependent variables, results did not fulfil the normality assumption and therefore, provided insufficient room for interpretation. Thus, further steps of the data analysis like the screening for skewness, outliers and kurtosis were performed using the initial form of the dependent variables (Appendix D3). Defining a data set's symmetry, the skewness value of a normal distribution usually amounts to 0, as it is characterized by perfectly symmetrical data. Similarly, kurtosis is measuring the tail-heaviness of a distribution (DeCarlo, 1997). An inspection of the skewness values of the residuals, as well as the kurtosis, uncovers that residuals are slightly skewed. However, most values lie between -0,5 and 0,5, suggesting that the distribution is approximately symmetric and fairly normal (Table 2). Since also the normality plots do not show great abnormalities (Appendix D3), it is assumed that the normality assumption is met. Furthermore, linearity was verified, and the tolerance and variance inflation factor values indicate an absence of multicollinearity (lowest tolerance = 0,730; highest VIF = 1,370). Testing the correlation between two explanatory variables, multicollinearity can potentially undermine the significance of variables and distort results and should therefore be eliminated. In this research, solely the two interaction terms *COO*Broad-Scope Trust* as well as *COO*Lay Rationalism* recorded high VIF-values, indicating the presence of multicollinearity. However, this observation is not worrisome and even inevitable, as interaction variables are usually characterized by a higher degree of collinearity. Another important assumption to keep an eye on is autocorrelation, which measures the correlation between values of the same variable. Since linear regression assumes independence of observations, it is necessary to examine the extent to which variables feature autocorrelation. In this research, the Durbin-Watson variable solely takes on values between 1,5 and 2,5, implying that autocorrelation is not a serious issue. Before proceeding with the analysis, employed measurement scales were validated and an internal consistency and reliability analysis was performed. With Cronbach's Alpha values of each construct ranging between 0,685 and 0,923, the minimum value of 0,6 is achieved (Hair, Black, Babin, & Anderson, 2010) and adequate scale reliability and validity is suggested (Appendix D3).

The descriptive results of the regression analysis are displayed in Table 2, including the mean, standard deviation and skewness of variables, as well as the skewness and kurtosis values of the respective residuals.

**Descriptives**

| Statistic | Mean | Std. Deviation | Skewness of Variables | Skewness of Residuals | Kurtosis | N | Answer Scale (4=neutral) |
|---|---|---|---|---|---|---|---|
| COO Image | 3,5610 | 1,16886 | 0,139 | -0,111 | -0,014 | 205 | 1=bad imge; 7=good image |
| Narrow-Scope Trust | 4,1967 | 0,8731 | 0,126 | 0,095 | -0,158 | 205 | 1=low trust; 7=high trust |
| Word-of-Mouth | 3,1675 | 0,94317 | -0,689 | *** | *** | 205 | 1=no word-of-mouth; 7=a lot word-of-mouth |
| Media Exposure | 2,7041 | 1,12904 | 0,097 | *** | *** | 205 | 1=no media exposure; 7=high media exposure |
| Cultural Openness | 6,0134 | 0,89429 | -1,26 | *** | *** | 205 | 1=not culturally open; 7=culturally open |
| Willingness to Buy | 2,6846 | 1,05935 | 0,376 | 0,284 | -0,014 | 205 | 1=not willing to buy; 7=willing to buy |
| Willingness to Pay | 2,2756 | 0,80036 | 0,16 | 0,215 | -0,439 | 205 | 1=low willingness to pay; 7=high willingness to pay |
| Performance Risk | 3,9431 | 1,10875 | -0,008 | -0,417 | 1,672 | 205 | 1=low perceived risk; 7=high perceived risk |
| Anxiety | 3,6400 | 0,96394 | 0,074 | -0,143 | 0,295 | 205 | 1=low anxiety; high anxiety |
| Broad-Scope Trust | 17,6390 | 6,95408 | 0,491 | *** | *** | 205 | 1=low trust; 7=high trust |
| Lay Rationalism | 15,1271 | 5,77851 | 0,529 | *** | *** | 205 | 1=emotional decision-maker; 7=lay rationalistic decision-maker |

Notes: ***These are solely predictor variables, for which no residuals are calculated.

Table 2: Descriptive Results

In total, eight linear regressions were performed. The analysis results as well as their implications for the established hypotheses are outlined in the following.

### 5.2.1. Hypothesis Results

**H1: Country-of-Origin Image on Narrow-Scope Trust**

The first hypothesis assumes a positive influence of country-of-origin on the perception of narrow-scope trust. The statistical analysis indeed uncovers a positive relationship between the two variables country-of-origin image and narrow scope trust, therefore lending support for H1 ($\beta = 0,111$; $p = 0,034$). Results suggest that the more negatively people perceive Egypt's country image to be, the less trust they have in the country's national airline EgyptAir.

**H2: Narrow-Scope Trust on Willingness to buy**

In line with the stated hypothesis, a positive relationship is found between the two variables narrow-scope trust and willingness to buy ($\beta = 0,322$; $p = 0,000$). Generally, a higher degree of trust in a company or brand seems to lead to a higher willingness to buy from this company or brand. Therefore, H2 is supported.

**H3: Narrow-Scope Trust on Willingness to Pay**

As hypothesized, narrow-scope trust does also positively influence an individual's willingness to pay ($\beta = 0,270$; $p = 0,000$). Respondents that expressed a higher degree of trust in EgyptAir are generally willing to pay a higher amount for a round-trip ticket, compared to people expressing distrust or a low level of trust.

**H4: Narrow-Scope Trust on Performance Risk**

A negative relationship is identified between narrow-scope trust and performance risk, thereby supporting H4 ($\beta = -0,668$; $p = 0,000$). This indicates that the more the respondents trust EgyptAir, the lower they perceive the risk to fly with the respective airline and to experience an unsatisfactory performance.

**H5: Narrow-Scope Trust on Anxiety**

Statistical findings support H5, stating that narrow-scope trust negatively influences an individual's anxiety to fly (β = -0,422; p = 0,000). Therefore, the more respondents trust in EgyptAir, the less they feel nervous or anxious when thinking about taking a flight with this airline.

**H6: Broad-Scope Trust on the relationship between Country-of-Origin Image and Narrow-Scope Trust**

The sixth hypothesis suggests that broad-scope trust has a moderating effect on the relationship between country-of-origin image and narrow-scope trust, in a way that a higher degree of broad-scope trust negatively influences the relative effect of the country-of-origin image. However, contrary to the stated hypothesis, no significant impact of broad-scope trust on the relationship between country-of-origin image and narrow-scope trust can be detected (β = -0,021; p = 0,640). Therefore, we fail to reject the null hypothesis and H6 is not supported.

**H7: Lay Rationalism on the relationship between Country-of-Origin Image and Narrow-Scope Trust**

Similarly, results of the quantitative analysis do not provide evidence that the relationship between country-of-origin image and narrow-scope trust is moderated by lay rationalism (β = 0,018; p = 0,770). Accordingly, H7 is not supported.

**H8: Word-of-mouth on Country-of-Origin Image**

Analysing the tested antecedent variables for country-of-origin image formation, a positive relationship between word-of-mouth and country-of-origin image is found (β = 0,312; p = 0,002). Consequently, the more people have heard about a country and are confronted with it over their social network, the more they perceive the image of the country to be positive. Therefore, H8 can be confirmed.

**H9: Media Exposure on Country-of-Origin Image**

Statistical results show a significant influence of media exposure on country-of-origin image (β = -0,208; p = 0,013). However, contrary to the suggested hypothesis, the detected relationship is of a negative nature, indicating that a higher degree of media exposure leads to a more negatively perceived country-of-origin image, rather than a positive one. Hence, H9 is not supported.

**H10: Cultural Openness on Country-of-Origin Image**

Lastly, the suggested hypothesis that cultural openness positively influences the country-of-origin image cannot be confirmed (β = 0,120; p = 0,186).

The results of hypothesis testing are summarized in Figure 2 and Tables 3 and 4 below.

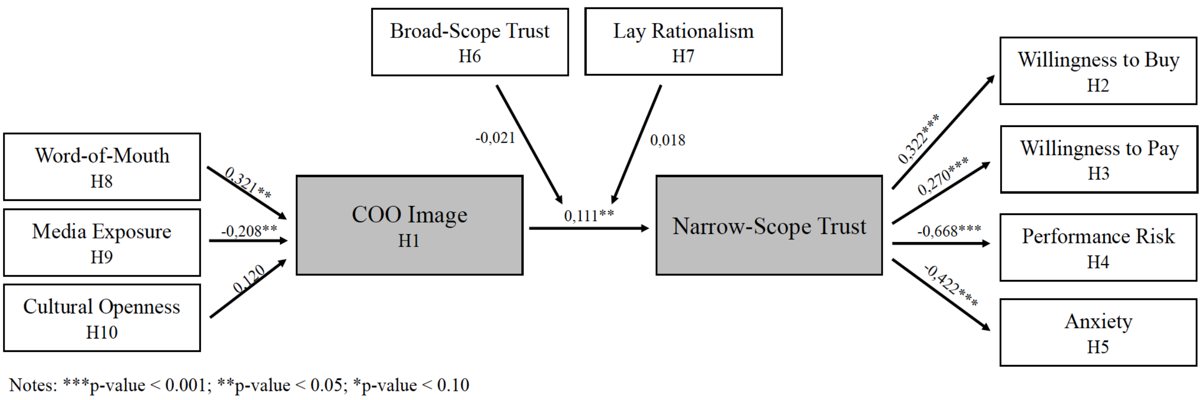


Figure 2: Research Framework with statistical results

| Research Model - Direct Effects | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| From | To | Sign | Unstandardized Regression Coefficient | Standardized Regression Coefficient | S.E. | R2 | P | Hypothesis | Supported |
| COO Image | Narrow-Scope Trust | + | 0,111 | 0,149 | 0,052 | 0,022 | 0,034 | H1 | Yes |
| Narrow-Scope Trust | Willingness to Buy | + | 0,322 | 0,265 | 0,082 | 0,070 | *** | H2 | Yes |
| Narrow-Scope Trust | Willingness to Pay | + | 0,270 | 0,295 | 0,061 | 0,087 | *** | H3 | Yes |
| Narrow-Scope Trust | Performance Risk | - | -0,668 | -0,526 | 0,076 | 0,277 | *** | H4 | Yes |
| Narrow-Scope Trust | Anxiety | - | -0,422 | -0,383 | 0,072 | 0,146 | *** | H5 | Yes |
| Word-of-Mouth | COO Image | + | 0,321 | 0,252 | 0,099 | 0,061 | 0,002 | H8 | Yes |
| Media Exposure | COO Image | - | -0,208 | -0,201 | 0,083 | 0,061 | 0,013 | H9 | Partially |
| Cultural Openness | COO Image | + | 0,120 | 0,092 | 0,090 | 0,061 | 0,186 | H10 | No |

Notes: ***p-value < 0,001

Table 3: Regression Results- Direct Relationships

| Moderation | | | | |
|---|---|---|---|---|
| Relationship | Moderator | P | Hypothesis | Supported |
| COO Image - Narrow-Scope Trust | Braod-Scope Trust | 0,64 | H6 | No |
| COO Image - Narrow-Scope Trust | Lay Rationalism | 0,770 | H7 | No |

Table 4: Regression Results- Moderators

# 6. Discussion

In total, seven out of ten hypothesized relationships are supported by the quantitative study, suggesting that the gathered information is mostly fitting the research model. Based on the study results, meaningful theoretical as well as practical implications can be derived. Accordingly, findings are discussed in the subsequent sections, including an elaboration of implications and limitations of this study, as well as suggestions for future research.

## 6.1. Theoretical Implications

The following subsection discusses the theoretical implications that can be derived from the analysis results. These will be outlined for each hypothesis respectively.

### 6.1.1. Implications of the main relationship

The literature review section of this academic work outlines several academic perspectives on the both widely researched concepts of country image and narrow-scope trust. Despite the notable academic interest and the significant importance ascribed to both concepts, only very little research is found throughout literature indicating a potential relationship between the two variables. Still, several researchers found that a country's image influences consumers' purchasing decision (Bilkey & Nes, 1982; Gürhan-Canli & Maheswaran, 2000a; Kock et al., 2019; Verlegh & Steenkamp, 1999) and customers' overall evaluation of a product (Chen et al., 2014; Verlegh & Steenkamp, 1999). Further, country-induced predispositions have an impact on product quality perceptions (Verlegh & Steenkamp, 1999), which is one of the most studied outcomes in country-of-origin image research (Josiassen et al., 2008), as well as on perceived product value (Hui & Zhou, 2002).

As acknowledged earlier in this study, Rosenbloom's and Haefner's (2009) work is, to the best of our knowledge, the only study to somewhat directly assume, among other considerations, a potential relationship between country-of-origin and a specific form of trust. The researchers focused their efforts on analysing this connection solely on the product-category level and limit their investigation to trust in perceived-to-be global brands specifically, finding that "[…] trust in a perceived-to-be global brand helped reduce the uncertainty and risk associated with high involvement products, many of which were durable goods" (Rosenbloom & Haefner, 2009, p. 276).

In this current academic work, the potential influence of a country's image on the development of trust in individual entities, namely narrow-scope trust, is investigated. Thereby, the study indeed finds a positive relationship between the two variables, meaning that a country's perceived image influences the development of trust in entities of the respective country, like for instance in companies from that very origin or brands associated with it. Thus, the more positive a country's image is, the more subjects trust in companies and/or brands from this origin and vice versa. This finding contributes to existing international marketing literature aiming to uncover the magnitude of the country-of-origin effect on conduction of business around the globe. Further, we extend Rosenbloom's and Haefner's (2009) work in two significant ways. First, the influence of a country's image is tested on the broader concept of narrow-scope trust, giving room for more generalisability of the effect. Second, this research focuses on the service context when designing the questionnaire, relating the utilized scale to the airline service provider EgyptAir. Through this latter aspect, this study contributes as an extension to the sparse existing academic literature landscape which already investigates country-of-origin considerations in the service context. To this date, most country-of-origin research relates to products or product categories (Peterson & Jolibert, 1995), although in 2018, the service sector accounted for more than 60% of the worldwide gross domestic product (World Bank, 2018).

Furthermore, as mentioned in the literature review of this research, several researchers found the formation of consumer trust to be linked to significant positive consequences for businesses, like for instance enhanced consumer loyalty (Agustin & Singh, 2005; Sako, 1992), higher overall consumer purchase intention (Michaelis et al., 2008) and more service usage (Maltz & Kohli, 1996). By providing empirical evidence for the positive relationship between the country image variable and narrow-scope trust, this research links existing origin-related research to the significant concept of human trust creation and supports studies which emphasise its importance for business research and practice. Possible explanations for the positive relationship between the two variables can be grounded on Doney, Cannon, & Mullen's (1997) work which outlines five multidisciplinary processes leading to the development of human trust, as outlined in the hypothesis development section (section 3.2) of this academic work.

### 6.1.2. Implications of Outcome Variables

**Narrow-Scope Trust seems to have a positive influence on Willingness to Buy.**

Besides examining the relationship between the two variables country-of-origin image and narrow-scope trust, the objective of this study is to further investigate potential outcomes of different trust levels which could be of strategic relevance for companies. As a consumer's willingness to buy is an important prerequisite for a superior financial performance and also the first step in binding a customer to one's company, it is of great strategic importance and therefore worth investigating in more detail. Furthermore, as the relevance of brand trust on purchase intent has mainly been examined for tangible products or for online shopping services, this study aims to explore the importance of narrow-scope trust in a new context, namely the airline industry. Therefore, it is contributing to existing literature on consumer behaviour and trust.

Building on findings of previous literature, it is hypothesized that the formation of narrow-scope trust positively influences a consumer's willingness to buy from a specific company. This assumption is supported by study results, as the statistical analysis reveals a positive relationship between these two variables. The present findings seem to be consistent with those of earlier research, investigating the forces that motivate a consumer to engage in a product- or service purchase.

While factors that have been found to influence willingness to buy include, amongst others, perceived product quality and value, price sensitivity and promotion as well as risk perception (e.g., Beneke et al., 2013; Jahangir & Bhattacharjee, Noorjahan, 2009; Maxwell, 2002), few scholars studied the effect of brand trust on purchase intent. Focusing on the online service environment, Becerra and Korgaonkar (2011) claim that brand trust has a significant influence on online purchase intent, while Becerra and Badrinarayanan (2013) demonstrates the impact of brand trust on brand evangelism, conceptualized as purchase intentions, positive brand referrals and oppositional brand referrals. By confirming the relevance of brand trust, this study supports these earlier findings and extends them by demonstrating that brand trust is equally relevant in the context of the airline industry.

Further, findings corroborate the idea of Elliott and Yannopoulou (2007), who argue that the effect of brand trust on purchase intent is especially prevalent for products with higher risk- and price levels. This represents a meaningful implication for airlines, as buying a flight ticket might be associated with a comparably high purchase risk.

**Narrow-Scope Trust seems to have a positive influence on Willingness to Pay.**

Although several academic scholars studied the forces driving a consumer's willingness to pay, very little information exists on the influential effect of narrow-scope trust. Consequently, this study sought to determine whether a potential relationship between these two variables exist.

The results of this research indicate that narrow-scope trust seems to have a positive influence on a consumer's willingness to pay, thereby supporting the postulated hypothesis.

This is an interesting finding, complementing existing academic literature on pricing. While several marketing scholars stress the importance of price premiums on gaining competitive advantage, as well as its relevance in assessing a brand's financial value (e.g., Aaker, 1996), the findings of this study provide a basis for informed decision-making in the context of price premium strategy. Specifically, we contribute to the literature by suggesting that an increased level of trust in a company or its brands serves as a valuable tool for devising a price premium. As consumers' willingness to pay is closely related to the financial performance of firms and therefore ultimately to a company's success, the topic is of great relevance in contemporary economic literature. A review of existing studies shows that prior researchers outlined a vast array of factors driving a consumer's willingness to pay (a price premium) for both the product and service sector. While identified antecedents to price premiums include brand image, perceived quality or brand experience, the role of narrow-scope trust was widely neglected. Instead, the concept of trust is subject to several brand equity studies. Brand equity is commonly defined as "[...] the value endowed by the brand to the product [...]" (Farquhar, 1989, p. 89). Extracting the tangible economic value from brands (Aaker, 1991), the concept of brand equity is of great relevance for scholars that are interested in price premium competition. For example, a study by the two scholars Delgado-Ballester & Munuera Alemán (2005), identifies brand trust as a key mediating variable to developing brand loyalty and consequently, brand equity.

Taking these results into account and building on Aaker's (1996) argumentation that a "[...] price premium may be the best single measure of brand equity available" (p.107), one could only draw an indirect conclusion about the potential effect of narrow-scope trust on willingness to pay. By filling this research gap and uncovering a direct positive relationship between these two variables, this study further contributes to literature on brand equity.

In the context of the airline industry, this study's findings are a meaningful addition to the work of Graham and Bansal (2007), who identify the corporate reputation of an airline to be an antecedent to a consumer's willingness to pay.

Although specifically tested for the service sector, the implications of this findings may further help companies to understand how to devise a price premium in general, thus ensuring superior financial performance.

**Narrow-scope trust seems to have a negative influence on perceived performance risk and anxiety.**

The analysis uncovers a negative relationship between narrow-scope trust and perceived performance risk as well as feelings of anxiety. As expected, trust in a specific company or brand acts as an important risk and fear reliever in purchase situations. Specifically, results imply that the more trust an individual develops in a specific company or brand, the smaller the perceived risk and anxiety are that desired performance standards are not met. These findings are in line with previous researches stressing the importance of a brand in purchase situations marked by uncertainty (e.g., Akaah & Korgaonkar, 1988; Ha, 2004; Kim et al., 2009). The fact that narrow-scope trust seems to lower an individual's risk perception, lends support to previous scholars' argumentation that brands can function as signals of quality, thereby fighting feelings of anxiety and promoting credibility (e.g., Aaker, 1991; Erdem & Swait, 1998).

This study contributes to existing literature on risk management, by identifying trust as a meaningful risk reliever. With risk perception and its influences on consumer purchase behaviour being a point of interest for numerous marketing scholars, previous studies outline several approaches to relieving perceived risk for consumers (e.g., Kim et al., 2009; Mitchell et al., 2003; Vos et al., 2014). In this context, the role of narrow-scope trust as a possible risk reduction strategy has not been sufficiently investigated yet. Especially as investigated in this current study, its proven relevance provides meaningful implications for service industries in general and for the airline industry in particular. While it is a commonly accepted belief that purchasing services is associated with a higher perceived risk compared to purchasing products (Lewis & Weigert, 1985; Mitchell & Greatorex, 1993; Yavas & Tuncalp, 1985), the usage of airline services does not only include financial, social or psychological risk (e.g., Cunningham et al., 2002; Roehl & Fesenmaier, 1992), but the actual exposure to physical risk. With the emergence of new media communications facilitating the access to information and media broadly covering each airline disaster, consumers are susceptible to an even higher perception of risk and potentially, to even more feelings of anxiety. The relevance of this study's finding is demonstrated by a survey conducted on 1061 individuals in the UK. The results of this study indicated that 16% of respondents are *very worried* about flying on airplanes, while 27% are *quite worried* (Statista, 2019a). As customers are trusting the airline with their life and are potentially experiencing physical loss, knowledge of how to become trustworthy as an airline and reduce the perceived risk involved in the purchase-decision of consumers is a valuable insight for the airline industry.

### 6.1.3. Implications of Moderator Variables

**Broad-scope trust does not seem to exert a moderating effect on the relationship between country-of-origin image and narrow-scope trust.**

Throughout literature, several factors were found to moderate the influence that country image has on other dependent variables. The effect that a country's image has on, for instance, the evaluation of products from the respective country was found to be moderated by factors like the brand image (Jo et al., 2003), the price attached to the product or service (Bilkey & Nes, 1982) as well as by the degree of the subjects' product familiarity (Josiassen & Harzing, 2008; Lee & Ganesh, 1999). Drawing on decades of academic evidence showing the importance of trust creation in consumer-seller relationships and the wide-ranging consequences ascribed to it, this current academic work aims to investigate the role of country image perceptions in the context of trust development. While the influence of broad-scope trust, especially on narrow-scope trust has been investigated by several researchers, only little attention was given to its potential as a moderator. According to attribution theory, an individual's understanding of whether an outcome was a success, or a failure evokes an either comforting or discomforting emotional reaction and stimulates the individual's need to identify the outcome's specific cause (Weiner, 1985). When assuming situational attribution of causes, suppliers are perceived to be less responsible for a certain outcome, while the broader environment is perceived to be more responsible (Oliver, 1993; Weiner, 1985). Drawing on the underlying insights of attribution theory, we hypothesized that broad-scope trust has a negative moderating effect on the relationship between country-of-origin image and narrow-scope trust.

Surprisingly, in the context of this current academic work, testing the hypothesis leads to an insignificant result, meaning that broad-scope trust has no moderating effect on the relationship between country image and narrow-scope trust. This rather contradictory result may be due to the lack of variance in the quantitative data collected on the broad-scope variable throughout this study. Appendix D3 illustrates that most respondents indicate to have a high level of trust in the broader context of the airline industry, leading to an insufficient representation of all possible choices for the broad-scope trust variable. Therefore, it cannot be said with certainty, if there is indeed no moderating effect to be found, but rather that no clear statement can be derived from the data at hand. This explanation together with the argumentation based on attribution theory yield the potential for further investigation of a moderating effect of broad-scope trust in this context.
Another plausible explanation could be that, despite the apparently solid positive reputation of the airline sector overall, this particular industry might not be subject to the 'halo' effect. This would imply that although subjects display a genuinely high level of broad-scope trust in the industry, this does not serve as a 'halo', automatically stimulating positive subconscious perceptions and the development of narrow-scope trust in the business players of the very same industry. If anything, this finding indicates that despite the positive inclinations of respondents towards the broader airline industry context, each airline company seems to be examined individually in the process of trust formation.

**Lay Rationalism does not seem to exert a moderating effect on the relationship between country-of-origin image and narrow-scope trust.**
Based on prior research, investigating behavioural differences and emotional aspects in consumers' evaluations of products and services, this study assumed lay rationalism to have a moderating effect on the relationship between country-of-origin image and narrow-scope trust. Hereby, the behavioural difference variable of lay rationalism measures the relative weight that an individual is placing on reason versus feelings when forming a decision.
The argumentation for the advanced hypothesis is anchored in the assertions postulated by the elaboration likelihood model (ELM). As mentioned earlier in this study (section 2.1.3.),

the ELM holds that the extent to which the country-of-origin image is used as an information cue in decision-making and is dependent on the individual's tendency to follow a 'central' versus a 'peripheral' route to persuasion (Petty & Cacioppo, 1984; Petty et al., 1983). While consumers who use a central route try to gain a comprehensive understanding of an issue by analysing relevant information before formulating their judgment, individuals who choose the peripheral route do not exert any cognitive effort, but instead rely on easily accessible information when forming an attitude (Petty et al., 1983). In this context, several researchers agree that the country-of-origin image is an easily accessible piece of information and therefore serves as a heuristic cue in decision-making (e.g. Chang, 2004; Gürhan-Canli & Maheswaran, 2000a). Building on these assertions, it was assumed that lay rationalistic people are generally more likely to take the peripheral route to persuasion, thereby showing a high motivation to comprehend and analyse relevant information and being less affected by the country-of-origin image. In contrast, individuals that predominantly listen to their emotions, utilize the country image as a heuristic and easily accessible cue, which is in turn influencing their attitude formation.

Contrary to the expectations, this study did not find a significant moderating effect of lay rationalism on the relationship between country-of-origin image and narrow-scope trust. There are different reasons that could explain this rather surprising result. First of all, the construct of lay rationalism aims at measuring individual behavioural traits, including the respondent's tendency to rely on emotions when forming a decision. Emotional feelings however are oftentimes hard to articulate and are expressed differently by each individual, potentially leading to an inconsistency in response measurement. Furthermore, there is a chance that responses are subject to a social desirability bias, referring to an individual's tendency to give answers that are socially acceptable, instead of those that truly express one's attitude or feelings (Chung & Monroe, 2003). Since rationality implies "[...] the ability to reason logically, as by drawing conclusions from inferences" (Neufeldt, 1991, p. 1115), emotions are associated with irrational behaviour, acting against certain standards of logic (Pham, 2007). Based on this, one can forward the assumption that being emotional and listening to one's own feelings instead of listening to rational criteria is oftentimes perceived as a weakness, which could potentially lead to a response bias. Closely related to this is social identity theory, according to which the individual engages in self-categorization to form a desired identity. This involves surrounding oneself with social categories or groups, that allow the expression and validation of self-identity (Stets & Burke, 2000). Individuals actively classify themselves in specific ways and wish to develop a feeling of belongingness to a particular community. Desired identities are continuously signalled through one's actions and choices. Following this theory, it is possible that participants of the research wished to portray themselves as rational individuals and, even if it might not always be the case, expressed this desired identity by selecting appropriate answer choices. This tendency could consequently lead to distorted results.

A further possible explanation for the results could lay in the nature of the country of Egypt, that the survey questions were linked to. As a matter of fact, Egypt has been in the focus of negative media publicity in the past, possibly creating a negative framing effect. As the country was marked by terrorist attacks and political tensions that have been broadcasted worldwide, the country itself spurs negative connotations. Therefore, one could also argue that lay rationalistic people, namely those who fully analyse all relevant information before making a decision, are equally likely to use country image to form an attitude and develop trust. This assumption is corroborated by Verlegh and Steekamp's (1999) theory of cognitive, affective and normative aspects of country-of-origin image, that was outlined earlier in the literature review. While emotional people are most likely triggered by affective associations with a country, lay rationalistic people potentially view the country of Egypt as a cognitive information stimulus inferring quality related attributes of a product. Consequently, the country image effect is the same for both, lay rationalistic and emotional respondents.

### 6.1.4. Implications of Antecedent Variables

**Word-of-Mouth seems to have a positive influence on Country-of-Origin Image.**

While this study set out with the main goal of assessing the relationship between country-of-origin image and narrow-scope trust, further attention is paid not only to potential outcomes of an increased trust level, but as well to variables acting as potential drivers of country-of-origin image formation. Consequently, the first antecedent variable examined is a positive word-of-mouth. As consumer trust towards for-profit entities is decreasing and the informal information exchange between individuals has gained in importance (Jalilvand & Samiei, 2012), the creation of a positive word-of-mouth can be of great strategic relevance. While word-of-mouth effects are predominantly mentioned in an organizational context, including its influence on factors such as service quality, consumer trust and purchase intention (Crocker, 1986; Laroche et al., 2003; a Parasuraman et al., 1988) its impact on country image is an unexplored topic and therefore worth investigating.

As hypothesized, a positive relationship between a favourable word-of-mouth and country-of-origin image can be found, suggesting that the more a country is positively talked about, the better is the perceived country image. This finding is an interesting contribution to existing literature on country image formation, as the majority of previous researches mainly study the influence of country-of-origin effects, while the drivers of a country's image have not been sufficiently investigated yet.

This study demonstrates the great effectiveness that can be ascribed to the informal information exchange and creation of word-of-mouth, as it was already shown in prior research. With country image being defined as "[...] the total of all descriptive, inferential, and informational beliefs that a consumer has about a particular country" (Martin & Eroglu, 1993, p. 192), findings suggest that word-of-mouth has the ability to change existing preconceptions and beliefs, thereby confirming its role as a highly credible information source (Silverman, 2001). Furthermore, the detected relationship lends support to Um and Crompton's (1990) theory, suggesting that the cognitive components of image formation are influenced by external information sources and social stimuli, such as recommendations given by friends and family.

**Media Exposure seems to have a negative influence on Country-of-Origin Image.**

The established research framework postulates that media exposure has a positive influence on the country-of-origin image. When examining the connection between the respective variables, study results indeed record a significant relationship. However, contrary to the initial assumption, the detected relationship is of a negative nature, thereby disproving the exerted hypothesis. Accordingly, findings suggest that the more an individual is exposed to a country over the media, the less favourable is the formed country image. On the other hand, less media exposure seems to have an enhancing effect on country image perceptions. Although surprising, the underlying reason for this observation could lay in the different natures of media communication and especially the exact type of media that individuals are exposed to most frequently.

While the forwarded hypothesis in this research posits that media exposure should positively influence the country-of-origin image, its argumentation is mostly based on media in the form of advertising, being generally associated with positive outcomes, like increased brand loyalty and an enhanced product image (Agrawal, 1996; Boonghee, Naveen, & Sungho, 2000). However, the multi-item scale measuring the construct of media exposure in this quantitative research is kept quite general and could as well be applicable to other components of the mass media communications industry, such as print- or news media. Although numerous researchers acknowledge the influential effect that media communications have on attitude formation and consumer behaviour (e.g. Cappella, Joseph N., 1997; Cappella, 2002; Lasswell, 1927) observed effects can commonly be of a positive or negative nature, depending on the type of information an individual is confronted with.
According to Burgess (1978), the type of image an individual is likely to develop is dependent on the type, quantity and quality of information one is exposed to. With numerous researchers confirming the positive influential effect of advertising efforts on factors such as purchase intention, brand loyalty, trust, or brand image, the results of this study give reason to assume that respondents are predominantly exposed to media reporting negatively about the country of Egypt, thereby increasing their distrust towards this nation. Next to being exposed to advertisements aiming to promote a specific object or location, people are regularly confronted with media news, representing another component of mass media communication. Displayed over a vast array of communication channels, such as the TV, radio or newspapers, international media news play a significant role in publishing and reporting on incidents as well as on giving popular broadcasts of what is going on in the world (Machin, 2000).
As argued earlier in the hypothesis development, the cognitive component of an image is likely to be influenced by external stimuli (Um & Crompton, 1990). This does not only include positive media communications, but also negative media publicity. According to Nielsen (2001), a negative media event refers to the mass media communicating bad news, threats, irritations or other matters that are perceived as unfavourable by the audience. Studying the influential effect of media news on the formation of a tourist destination image, Beirman (2003) identifies five circumstances that the media is likely to report on and that might damage a country’s image, including international conflicts or wars, acts of terrorism, criminal acts or crimes, natural disasters and lastly health concerns such as epidemics or

diseases. Similarly, Lombardi (1990) argues that there are two major forces influencing the image creation of individuals. While an image can be created through own experiences with a destination, it is also formed through specific incidents that the mass media is publicly reporting on. Seaton (2003) supports this finding by stressing that once an image is prototyped to the individual, whether true or not, it can play a crucial role for further country image formation.

A review of past media news related to the country of Egypt, which is the focus of this research, uncovers that the country has indeed suffered from negative media publicity. Located in the Middle East, the nation has been marked by political tensions, violent government changes as well as terrorist attacks, which international media reported on extensively. Following Beirman's (2003) and Lombardi's (1990) argumentation outlined earlier, these negative media events could potentially have a negative influence on the country image formation, thereby explaining the study results. Even though respondents might have been exposed to positive media representations of Egypt as well, those might have influenced already formed attitudes less. This assumption is supported by Rosengren (1994), who asserts that bad news generally sell better than good news, and consequently gain more attention by the viewers. Furthermore, trust towards a media source can play a crucial role in defining its influential effect.

Hall (2002) stresses that the media is frequently viewed as a trusted authority, which is equally important to government warnings. Lombardi (1990) further contends that people have a tendency to believe what they hear, see or read in the media. Studying the credibility of diverse media communication sources, Hsu and Powers (2002) claim that news written by a neutral third party are generally perceived as reliable. In contrast, content of advertisements is often approached critically, as these create a desired image depending on the advertiser and are thus less objective. This argument would imply that advertising content is potentially less influential than the broadcasting of media news, which might eventually also apply to the formation of country image.

**Cultural Openness seems to have no significant influence on Country-of-Origin Image.**

The personality trait 'cultural openness' can be broadly defined as the "[…] acceptance and tolerance towards other cultures" (Jiménez & Martín, 2014, p. 351; Shankarmahesh, 2006; Sharma et al., 1994). People who are in general culturally open-minded have been found to accept (Altintaş & Tokol, 2007) and consume more foreign products (Javalgi et al., 2005) and are less influenced by cultural prejudices (Sharma et al., 1994). As already indicated in the hypothesis development part of this research, d'Astous et al. (2008) find that cultural openness is closely associated with favourable product-country perceptions and other researchers find that culturally open-minded subjects are less ethnocentric when deciding to purchase foreign products (Sharma et al., 1994) or to utilize services of foreign providers (De Ruyter et al., 1998). Besides this, culturally open-minded consumers have been found to be more likely to search for a more diverse spectrum of information about foreign countries and products (Okechuku, 1994; Schaefer, 1997) when forming an opinion. Surprisingly, when empirically testing the hypothesis that subjects who describe themselves to be culturally open-minded would also tend to form rather positive country images, the results are insignificant, meaning that the assumed relationship cannot be proven. A possible explanation for this result may be found in the social-heuristics hypothesis which proposes that "[…] people's default responses arise from internalization of behaviours that are generally advantageous in daily social interactions" (Bear & Rand, 2016; Protzko, Zedelius, & Schooler, 2019; Rand et al., 2014). Further, the social-heuristics hypothesis states that over a lifetime, social interactions teach individuals what kind of behaviour, perceptions and opinions are judged favourably by other people and which benefit one's reputation. At some point in a person's psychological development process, behaving according to these learnings becomes a sub-conscious habitual response and subjects 'automatically' respond in a socially desirable way (Bear & Rand, 2016; Protzko et al., 2019). This form of social desirability bias implies that subjects' behavioural responses and verbal affirmations are made with the goal to appear good to their social environment and are not necessarily reflecting their true self. In the context of this study, respondents who indicated that they are culturally open-minded might have done so, as it is a characteristic aspect of the favourable self-image of being a 'global citizen'. People being sceptical towards other cultures or even racist oftentimes encounter social resistance, which is why it is reasonable to assume that some respondents who indicated to be culturally open-minded, might have exaggerated due to a sub-conscious automatism favouring (social) compliance.

## 6.2. Managerial Implications

Since Dichter (1962) found that a product's country of origin could have a "[...]tremendous influence on the acceptance and success of products" (p.116), country-induced predispositions have been subject to a large number of studies. Several studies succeeded to prove that the image of a product's or service's country of origin is an external cue which significantly influences consumer's purchase intention and decision. The findings of this current academic work outline the importance of the country image cue for management even further, as this cue seems to have significant direct influence on the creation of narrow-scope trust. Contrary to what we, as researchers, expected, even subjects who claim to be culturally open-minded are found to have a rather sceptical and negative perception of Egypt as a country. Although this result needs to be interpreted with caution, as respondents might have been subject to a social desirability bias when indicating their personal level of cultural openness (see Section 6.1), it would only emphasise that even highly open-minded individuals behold critical images of certain countries. For management, this indicates what a complex process the development of a specific country image is, and how complicated it might be to change perceptions consumers already formed about companies, brands, products and/or services from a specific origin.

Furthermore, narrow-scope trust, as well as the lack of such, have severe consequences for businesses. The more consumers develop narrow-scope trust in a company, the less consumers perceive a risk of underperformance of the company and the less anxious they are in general when engaging with the company. These findings are of utmost importance especially for the service sector, as a service is neither tangible nor can it be seen like a product and therefore, it cannot be separated from the service provider. A high degree of narrow-scope trust enhances consumer's willingness to utilize a specific service (willingness to buy) and even their willingness to pay a price premium, as consumers perceive the company to be perfectly capable of fulfilling their service expectations, and thereby, it influences revenue flows and the prominence of the company.

For management, the findings of this study and the implications which can be derived differ depending on whether the company in question is from a country of origin with a (perceived) positive or negative image.

If a company is in the favourable position to be from a country which enjoys a positive country image, this image is a valuable asset for the development and further enhancement of narrow-scope trust or of any more specific form of entity-related trust, like for instance trust in a certain brand. Management can leverage the potential that a positive country image brings for trust creation by explicitly communicating and highlighting their country of origin throughout advertisement activities. As research shows that most consumers are not certain or even wrong when asked to specify the actual country-of-origin of a product, a brand or a company (Chao, 1993), attention has to be directed towards filling this awareness gap by, for instance, prominent "Made in [country-of-origin]" signs, indications of the origin on the products and country-focused promotional messages. Such messages could, for instance, be based on positive stereotypes so that for instance a German automotive company emphasises the long-lasting traditional image of Germany's excellent workmanship (Verlegh & Steenkamp, 1999).

If a company is from an origin with a rather negative country image instead, this seems to affect also the creation of consumers' narrow-scope trust negatively. For marketers facing this rather difficult situation, there is reason to believe that communication focus should be placed on other, more positive cues, like for instance a competitive price point, and attention should be taken away from the actual country of origin. Consumers' uncertainty and lack of knowledge about the actual country of origin of a company could be in their best interest, if the company is mistakenly associated with a more positive country-of-origin image or if the perceived uncertainty leads to the utilisation of other cues when forming an opinion instead. Drawing on this, if the company is from a rather unfavourable origin but products are manufactured or service staff is recruited from a country with a more favourable image, marketers might benefit from emphasizing the latter country in order to enhance trust development. On a more different note, managers could try to utilize only positive components of their country's image throughout their marketing and communication activities. For instance, a sponsored newspaper article or a TV spot advertising a company's product, service or their brand in general could also contain sequences about the rich culture of a country like their exquisite cuisine, their unique landscapes and their tourist attractions. Thereby, individual companies can contribute to create a more positive impression of their country-of-origin in potential customers' minds which eventually could lead to a less negative overall country image. Another practical implication can be derived from this study's finding that word-of-mouth has a positive influence on the country image cue, meaning that the more people have positive experiences related to a certain country, the more their stories and impressions drive a more positive overall image of a country and vice versa. Therefore, managers should aim to provide outstanding service and create high-quality interactions between customers, their company and its offerings in order to enhance the company's origin image. However, caution must be applied as companies, which follow this strategy thereby also act in favour of their competitors from the same origin. Such an investment in introducing consumers to more positive aspects of their origin indirectly helps also competition to conquer negative country image predispositions of consumers.

## 6.3. Limitations

Despite all efforts to produce reliable and valid results, this study is subject to theoretical as well as methodological limitations that will be elaborated on in the following.

### 6.3.1. Theoretical Limitations

Starting with theoretical aspects, the very nature of the established research framework can be considered as a limitation itself. Building on the main purpose of this study, which was to investigate the relationship between country-of-origin image and narrow-scope trust, the research model aims to uncover a more holistic picture of this hypothesized relationship, by also inspecting antecedent, outcome and moderator variables. While a certain set of constructs was identified as relevant and included in the model, others were eliminated. It is important to note however, that other constructs exist and that these could play an equally important role.

Moreover, the tested constructs themselves as well as the derived findings should be viewed with caution. With some of the constructs aiming to measure consumer behavioural traits and preferences (e.g. cultural openness or lay rationalism), answers could potentially be subject to social desirability bias, referring to an individual's tendency to provide answers that are socially desirable, instead of those that truly reflect their own feelings and attitudes (Chung

& Monroe, 2003). In the case of cultural openness, people might be hesitant to admit their disinterest in engaging with foreign cultures, as this could quickly lead to, for instance, the mistaken accusation of being racist. This research does not account for this phenomenon and the extent to which answers are subject to this kind of bias has not been measured.
Furthermore, the construct of lay rationalism attempted to measure an individual's tendency to rely on reason rather than emotions when forming a decision. However, for the latter no clear definition exists, which is complicating the measurement process. Emotional feelings are oftentimes hard to articulate and expressed differently by individuals, which might lead to an inconsistency in answers and further impede study results.

### 6.3.2. Practical Limitations

In terms of the methodological procedures applied in this research, a few limiting aspects should be taken into consideration. Prior to commencing the quantitative research and questioning people via a self-administered online survey, a focus group discussion was conducted, allowing the identification of relevant variables that are to be tested in the quantitative study. This qualitative form of data collection was subject to the induction-problem, as saturation criteria were not sufficiently fulfilled (Kvale, 2007). Data saturation, referring to the point in data collection where answers start to be repeated and the collection of additional data becomes redundant, is oftentimes considered as a 'qualitative rigor'(Morse, 2015, p. 587). With only five individuals participating in the focus group discussion, and each providing a different answer to the stated questions, uncertainty remains of whether an additional interview could have provided even more insightful implications. Although it is generally recommended to increase the sample size and conduct focus group interviews until the saturation level is reached, the research team decided to act against this common advice, as five answers given by five individuals were considered to provide sufficient information for the scope of this research.
Further caveats concern the applied sampling techniques. In an attempt to reach a sufficiently large sample size, this study employed the non-probability sampling methods of convenience- and snowball sampling. The choice of these is considered suboptimal, since not every individual in the target population has the same chance of being selected and questioned, thereby impeding the reliability of results (Golafshani, 2003). Acting against the

researchers' tendency of only questioning people from one's own network, a different choice of sampling technique would have increased the generalizability to the target population even further. Optimal sampling techniques would have been probability sampling methods, such as systematic sampling, stratified sampling, or simple random sampling (Golafshani, 2003). With these techniques, every individual in the target population has the same chance of being included in the sample, thereby producing results that are more representative. Due to the applied sampling methods, as well as the fact that the internet served as the main distribution platform for the survey, the current sample represents a limited depiction of the actual target population. With the researchers' social network mainly consisting of students or professionals aged 50 years and above, certain age groups were rather difficult to reach. Therefore, the age distribution of the sample exhibits small deviations from the target population structure (Appendix B1). Further, one limitation pertains to the measurement of the willingness to pay construct. While the survey question invited respondents to indicate their willingness to pay for a flight ticket from Frankfurt to Cape Town, the survey did not provide information on the time horizon of the aforesaid trip. As the price of flight tickets is oftentimes dependent on the booking date, an indication on when the trip takes place might have led to different results.

Lastly, limitations were encountered in the analysis process. Prior to running the analysis in the statistical software SPSS, all variables included in the research model were examined to validate the compliance to the linear regression assumptions, including normality, linearity, homoscedasticity and multicollinearity. The screening uncovered that three variables, namely *narrow-scope trust*, *willingness to pay* as well as *performance risk*, seemed to violate the normality assumption. Although graphical residual plots as well as skewness values indicate that the distribution is close to normal, the Shapiro Wilk test records significant p-values at a 95% confidence level, thereby questioning the normal distribution of the collected data and potentially impeding the reliability of results. Besides this, the linearity check conducted on all constructs uncovered that the two variables *media exposure* and *cultural openness* are not sufficiently linear, which is however a limitation the authors are willing to accept.

## 6.4. Recommendations for Future Research

In the following subsection, recommendations for future research will be outlined. These are mainly derived from the limitations encountered in this research, as well as from a review of prior literature.

By focusing on the airline industry, this study is limiting its scope to the service sector in general and to the airline industry in particular. However, it would be interesting to test the established research framework and its implications in another context and investigate, whether findings and derived conclusions are also applicable for different industries and tangible products. Moreover, future research could test the implications of the research framework in a B2B-context, as the current study is focusing on the end consumers and their trust in a service provider. As strategic alliances are of high importance to many firms, it could be examined whether the detected results are also valid for B2B-relationships.
Further, as mentioned in the delimitations (section 1.5), the geographical scope of this study is limited to German citizens only. This decision is based on the fact that preconceptions towards a country might differ among nationalities, due to factors such as cultural or geographical distance. Besides, the degree of consumer ethnocentrism, and therefore the willingness to accept foreign products in general might differ across national borders, which could eventually lead to an inconsistency in results (Durvasula et al., 1997). Specifically, with regards to Doney et al's (1997) statement that culture and trust development are closely connected, future research is advised to conduct the study on a larger scale, by extending the target population to several diverse countries. The established hypotheses should be tested on different nationalities, thereby uncovering potential behavioural and attitudinal differences among the citizens of various countries. Moreover, it is recommended to select other countries than Egypt to base the quantitative study on, as this could potentially also lead to an alteration of results and thereby further insights.
As mentioned earlier in section 6.3, this study is subject to several methodological constraints, which led to a distorted representation of the target group and could potentially impede study results. Therefore, future researchers are advised to replicate this study by following optimal methodological standards, thus ensuring generalisability of results and validating the derived findings of this research. Specifically, it is recommended to base the

results on a bigger sample and apply optimal sampling techniques, in the form of probability sampling methods. Further, all regression assumptions should be met.
While the current study is mainly employing a quantitative research method, future studies could additionally integrate qualitative data, thereby utilizing a mixed research method. The conduction of personal interviews or focus group discussions could potentially yield interesting insights and uncover additional details which a survey method is not able to provide due to the restrictive format of answer choices.

Further recommendations concern the components of the research framework itself. A variable that is identified to drive country-of-origin image formation is word-of-mouth. However, this study only investigates the effects of a positive word-of-mouth, referring to the extent that the country of Egypt was positively talked about and got recommended to social acquaintances. While the relative impact of positive versus negative word-of-mouth is debated among scholars (East et al., 2008), it would be interesting to explore whether an unfavourable word-of-mouth is equally important in influencing the country-of-origin image formation.
Another antecedent variable tested within the scope of the research framework is media exposure. While it is found to have a significant impact on a formed country-of-origin image, the term "media" is of a very broad nature, comprising several components, such as news media, print media, advertising or cinema (Petty et al., 2009). As the chosen multi-item scale aiming to measure the media exposure construct is applicable to every component of the media mix, it is impossible to draw correct conclusions about the exact type of media that individuals are predominantly exposed to and that eventually influences country image formation. Consequently, future research is recommended to gain deeper insights into the respective influence of each media component (e.g. media news and advertising) and examine whether potential differences in relevance exist. Here, qualitative interviews could be helpful to understand which media individuals are predominantly exposed to and how this influences country perceptions.
Furthermore, in order to account for the individual's overall trust in the airline industry and its potential influential effect, the variable of broad-scope trust is incorporated in the research framework as a moderator variable, testing its influence on the relationship between country-of-origin image and narrow-scope trust. For future research it would be interesting to study

the role of broad-scope trust as a mediator variable, mediating the relationship between country-of-origin image and narrow-scope trust.

Besides this, shortly after data was collected for this study, a world-wide pandemic emerged, rising significant challenges to national governments, entire societies as well as for many industries and several individual companies. Inspired by this event, we recommend future research to investigate the potential effect that such a global crisis has on study results, specifically on country image perceptions and the development of different forms of trust.

Additionally, to give the findings of this research more relevance, future research could examine whether the influence that a country's image exerts on narrow-scope trust formation is moderated by demographic characteristics, such as age or gender.

Lastly, the flight frequency of the respective respondents as well as prior experience with EgyptAir and their effect on expressed attitudes and trust formation is worth investigating. Prior experiences with the airline could directly impact the formation of narrow-scope trust and potentially even moderate the relationship between country-of-origin image and narrow-scope trust.

# 7. Concluding Remarks

This study is contributing to existing literature on consumer behaviour and country-of-origin image effects by shedding light on the hitherto widely unexplored relationship between country-induced predispositions and narrow-scope trust formation.
Considering the initially formulated research question, study results provide evidence that country images play a crucial role for the development of narrow-scope trust in the service sector. Underlining the strategic importance of this finding, results further suggest that an enhanced trust level in a brand or company is associated with several positive outcomes, including a higher consumer willingness to pay and to buy, lower performance risk perceptions and reduced feelings of anxiety.
Furthermore, variables affecting country image formation have been identified. While cultural openness does not exert any significant influence, word-of-mouth has been diagnosed as a relevant driver of country-of-origin image. In contrast, media exposure seems to be negatively related to country image formation, with more media confrontation inducing rather unfavourable image perceptions. The initial hypothesis that broad-scope trust and lay rationalism moderate the relationship between country-of-origin image and narrow-scope trust is not supported, thereby suggesting a great importance of country image effects on trust development. Derived findings provide meaningful implications to managers of service companies. Considering that country image perceptions seem to be a significant driver of narrow-scope trust development, managers are advised to undertake measures either leveraging a positive country image or concealing a negative one.

In conclusion, even in a world which is marked by increasing internationalisation, merging of cultures and nationalities as well as global consumerism, preconceptions towards foreign countries are still existent and seemingly play an important role in the development of consumer trust.

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# Appendices

## Overview


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# APPENDIX A
# Pre-Tests & Field Study

## A1 Pre-Test - Questionnaire

### INTRODUCTION TEXT

Dear Participant,

we thank you for taking your time and participating in this short survey.
Filling out the questionnaire will take no longer than 3 minutes of your time.
This research is part of our Master Thesis and is carried out for non-commercial purposes.
Your answers are treated strictly confidential.

Kind Regards,
Sophie & Denisa

### AIRLINES

Please indicate how much you trust each of these airlines on a scale from 1 (I strongly distrust this airline) to 5 (I strongly trust this airline).

a) Air China
b) WizzAir
c) TAP Air Portugal
d) Philippine Airlines
e) Finnair
f) Korean Airlines
g) Hawaiian Airlines
h) Lufthansa
i) Garuda Indonesia
j) Air Egypt
k) Turkish Airlines
l) Aerolíneas Argentinas
m) Blue Air
n) Pakistan International Airlines
o) Air India
p) Virgin Australia Airlines
q) Alaska Airlines
r) South African Airways
s) Iberia
t) Royal Air Maroc

**COUNTRIES OF ORIGIN**

Please indicate how you perceive the image of these Airline Origins on a scale from 1 (very poor image) to 5 (very good image).

a) China
b) Hungary
c) Portugal
d) Philippines
e) Finland
f) South Korea
g) United States
h) Germany
i) Indonesia
j) Egypt
k) Turkey
l) Argentina
m) Romania
n) Pakistan
o) India
p) Australia
q) South Africa
r) Spain
s) Morocco

## A2 Pre-Test - Data & Findings

| Timestamp | Air China | WizzAir | TAP Air Portugal | Philippine Airlines | Finnair | Korean Airlines | Hawaiian Airlines | Lufthansa | Garuda Indonesia | Air Egypt | Turkish Airlines | Aerolíneas Argentinas | Blue Air | Pakistan Int. Airlines | Air India | Virgin Australia Airlines | Alaska Airlines | South African Airways | Iberia | Royal Air Maroc |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2.18.2020 14:34:50 | 3 | 2 | 2 | 2 | 5 | 4 | 4 | 5 | 2 | 2 | 3 | 2 | 2 | 1 | 2 | 3 | 4 | 3 | 3 | 2 |
| 2.18.2020 14:46:05 | 3 | 5 | 5 | 3 | 5 | 3 | 3 | 5 | 3 | 1 | 4 | 4 | 5 | 3 | 4 | 4 | 4 | 3 | 5 | 3 |
| 2.18.2020 14:59:07 | 4 | 3 | 4 | 3 | 5 | 4 | 3 | 5 | 4 | 1 | 2 | 4 | 1 | 2 | 3 | 4 | 5 | 5 | 5 | 3 |
| 2.18.2020 15:09:07 | 2 | 1 | 3 | 3 | 4 | 3 | 3 | 5 | 1 | 2 | 2 | 3 | 1 | 2 | 2 | 4 | 4 | 2 | 2 | 2 |
| 2.18.2020 15:53:02 | 3 | 2 | 4 | 4 | 4 | 3 | 3 | 5 | 2 | 2 | 4 | 3 | 3 | 3 | 4 | 4 | 3 | 4 | 4 | 4 |
| 2.18.2020 17:24:50 | 3 | 3 | 3 | 2 | 4 | 2 | 2 | 5 | 2 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 4 | 2 | 3 | 3 |
| 2.18.2020 18:26:05 | 3 | 3 | 4 | 3 | 4 | 4 | 3 | 5 | 2 | 2 | 3 | 2 | 3 | 3 | 2 | 4 | 4 | 4 | 3 | 3 |
| 2.18.2020 20:01:19 | 5 | 3 | 4 | 3 | 5 | 5 | 3 | 5 | 4 | 3 | 4 | 3 | 3 | 2 | 2 | 5 | 4 | 3 | 5 | 2 |
| 2.18.2020 20:03:18 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 2 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| 2.18.2020 21:54:51 | 4 | 2 | 4 | 2 | 4 | 3 | 2 | 5 | 2 | 3 | 4 | 2 | 3 | 1 | 2 | 4 | 3 | 3 | 3 | 3 |
| 2.18.2020 22:03:20 | 1 | 4 | 3 | 3 | 3 | 3 | 4 | 5 | 3 | 4 | 3 | 3 | 4 | 3 | 3 | 4 | 4 | 3 | 3 | 3 |
| 2.18.2020 22:05:49 | 1 | 4 | 3 | 3 | 3 | 3 | 4 | 5 | 2 | 3 | 3 | 3 | 4 | 2 | 3 | 4 | 4 | 3 | 3 | 3 |
| 2.18.2020 22:07:59 | 2 | 1 | 4 | 2 | 4 | 5 | 3 | 4 | 1 | 5 | 3 | 4 | 2 | 3 | 2 | 1 | 5 | 4 | 2 | 4 |
| 2.21.2020 15:12:56 | 4 | 3 | 5 | 3 | 5 | 5 | 4 | 5 | 1 | 3 | 3 | 4 | 3 | 3 | 3 | 5 | 5 | 4 | 5 | 3 |
| 2.21.2020 15:38:38 | 2 | 1 | 2 | 2 | 3 | 2 | 2 | 5 | 2 | 1 | 1 | 2 | 1 | 3 | 1 | 3 | 3 | 2 | 4 | 3 |
| 2.21.2020 15:55:02 | 3 | 2 | 3 | 3 | 5 | 3 | 3 | 5 | 2 | 1 | 3 | 2 | 2 | 2 | 3 | 4 | 3 | 2 | 4 | 2 |
| 2.27.2020 10:57:29 | 4 | 3 | 3 | 2 | 4 | 3 | 3 | 5 | 2 | 1 | 3 | 3 | 2 | 2 | 3 | 4 | 4 | 3 | 3 | 3 |
| 3.16.2020 19:56:19 | 2 | 3 | 4 | 1 | 4 | 4 | 4 | 5 | 2 | 2 | 4 | 3 | 3 | 3 | 2 | 4 | 4 | 4 | 4 | 3 |
| 3.19.2020 18:10:55 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 5 | 3 | 1 | 4 | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 4 | 3 |
| 3.19.2020 21:10:35 | 4 | 5 | 5 | 2 | 5 | 3 | 2 | 5 | 1 | 2 | 5 | 1 | 4 | 1 | 1 | 5 | 4 | 1 | 3 | 2 |
| TOTAL | 59 | 55 | 71 | 52 | 82 | 68 | 61 | 98 | 45 | 44 | 64 | 57 | 55 | 46 | 50 | 77 | 77 | 61 | 71 | 57 |
| Average | 2,95 | 2,75 | 3,55 | 2,6 | 4,1 | 3,4 | 3,05 | 4,9 | 2,25 | 2,2 | 3,2 | 2,85 | 2,75 | 2,3 | 2,5 | 3,85 | 3,85 | 3,05 | 3,55 | 2,85 |

Table 5: Pre-Test Raw Data - Airlines

| Timestamp | China | Hungary | Portugal | Philippines | Finland | South Korea | United States | Germany | Indonesia | Egypt | Turkey | Argentina | Romania | Pakistan | India | Australia | South Africa | Spain | Morocco |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2.18.2020 14:34:50 | 2 | 3 | 4 | 2 | 5 | 5 | 4 | 5 | 2 | 2 | 2 | 3 | 3 | 1 | 3 | 4 | 3 | 4 | 2 |
| 2.18.2020 14:46:05 | 3 | 5 | 5 | 3 | 5 | 3 | 5 | 5 | 4 | 2 | 4 | 4 | 5 | 2 | 4 | 5 | 3 | 5 | 3 |
| 2.18.2020 14:59:07 | 4 | 4 | 5 | 3 | 5 | 4 | 5 | 5 | 2 | 1 | 2 | 3 | 2 | 3 | 3 | 4 | 4 | 5 | 2 |
| 2.18.2020 15:09:07 | 2 | 1 | 4 | 3 | 5 | 3 | 4 | 5 | 2 | 1 | 2 | 2 | 2 | 2 | 1 | 4 | 3 | 4 | 1 |
| 2.18.2020 15:53:02 | 4 | 3 | 4 | 3 | 4 | 3 | 4 | 5 | 4 | 4 | 3 | 3 | 3 | 3 | 2 | 4 | 4 | 4 | 4 |
| 2.18.2020 17:24:50 | 4 | 3 | 3 | 2 | 4 | 2 | 4 | 5 | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 4 | 2 | 4 | 3 |
| 2.18.2020 18:26:05 | 2 | 4 | 5 | 3 | 5 | 4 | 5 | 5 | 3 | 2 | 3 | 3 | 3 | 2 | 2 | 5 | 3 | 5 | 2 |
| 2.18.2020 20:01:19 | 5 | 3 | 4 | 3 | 5 | 5 | 5 | 5 | 3 | 3 | 4 | 3 | 3 | 2 | 2 | 5 | 4 | 5 | 3 |
| 2.18.2020 20:03:18 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 1 | 1 | 3 | 3 | 3 | 3 | 1 | 3 | 3 | 3 | 3 |
| 2.18.2020 21:54:51 | 3 | 2 | 4 | 2 | 5 | 4 | 5 | 5 | 2 | 2 | 3 | 4 | 2 | 2 | 4 | 5 | 4 | 5 | 2 |
| 2.18.2020 22:03:20 | 3 | 4 | 4 | 3 | 4 | 3 | 5 | 5 | 3 | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 4 | 4 | 3 |
| 2.18.2020 22:05:49 | 3 | 4 | 4 | 3 | 4 | 3 | 5 | 5 | 3 | 2 | 4 | 4 | 3 | 3 | 3 | 3 | 4 | 4 | 3 |
| 2.18.2020 22:07:59 | 2 | 2 | 4 | 4 | 3 | 5 | 3 | 4 | 3 | 5 | 1 | 2 | 1 | 4 | 2 | 1 | 3 | 3 | 3 |
| 2.21.2020 15:12:56 | 4 | 4 | 5 | 4 | 5 | 5 | 5 | 5 | 4 | 3 | 4 | 5 | 5 | 4 | 3 | 5 | 5 | 5 | 4 |
| 2.21.2020 15:38:38 | 2 | 3 | 4 | 3 | 4 | 2 | 5 | 5 | 2 | 2 | 1 | 3 | 2 | 1 | 2 | 4 | 3 | 4 | 2 |
| 2.21.2020 15:55:02 | 3 | 4 | 4 | 2 | 5 | 2 | 5 | 5 | 2 | 3 | 2 | 2 | 2 | 2 | 2 | 5 | 2 | 4 | 3 |
| 2.27.2020 10:57:29 | 3 | 3 | 4 | 2 | 4 | 2 | 4 | 5 | 1 | 2 | 2 | 3 | 3 | 1 | 3 | 5 | 3 | 4 | 2 |
| 3.16.2020 19:56:19 | 2 | 3 | 4 | 1 | 5 | 4 | 5 | 5 | 2 | 2 | 3 | 3 | 2 | 2 | 2 | 5 | 4 | 5 | 2 |
| 3.19.2020 18:10:55 | 3 | 2 | 3 | 2 | 4 | 3 | 3 | 4 | 2 | 2 | 2 | 3 | 2 | 2 | 2 | 4 | 2 | 4 | 2 |
| 3.19.2020 21:10:35 | 4 | 3 | 3 | 1 | 5 | 4 | 5 | 5 | 1 | 1 | 4 | 2 | 3 | 1 | 2 | 5 | 1 | 3 | 2 |
| TOTAL | 61 | 63 | 80 | 52 | 89 | 69 | 90 | 97 | 48 | 46 | 56 | 62 | 55 | 45 | 48 | 83 | 64 | 84 | 51 |
| Average | 3,05 | 3,15 | 4 | 2,6 | 4,45 | 3,45 | 4,5 | 4,85 | 2,4 | 2,3 | 2,8 | 3,1 | 2,75 | 2,25 | 2,4 | 4,15 | 3,2 | 4,2 | 2,55 |

Table 6: Pre-Test Raw Data – Country-of-Origin

| What is your gender? | Please indicate your age | What is your occupation? | Please indicate how much you fly on a scale from 1 (very rare) to 5 (very often). |
|---|---|---|---|
| Female | 23 | Student | 4 |
| Female | 51 | Professional | 5 |
| Female | 63 | Others | 1 |
| Female | 24 | Student | 4 |
| Female | 25 | Student | 3 |
| Female | 22 | Student | 1 |
| Male | 63 | Retired | 2 |
| Male | 52 | Professional | 5 |
| Female | 26 | Student | 2 |
| Female | 23 | Student | 5 |
| Female | 23 | Student | 4 |
| Female | 23 | Student | 4 |
| Male | 25 | Professional | 5 |
| Female | 25 | Student | 4 |
| Female | 25 | Student | 4 |
| Female | 24 | Student | 3 |
| Female | 26 | Student | 3 |
| Female | 25 | Student | 4 |
| Female | 24 | Student | 2 |
| Female | 25 | Student | 4 |

Table 7: Pre-Test Demographics

| Airline | Avg. Score | Country of Origin | Avg. Score |
|---|---|---|---|
| Air China | 2,95 | China | 3,05 |
| WizzAir | 2,75 | Hungary | 3,15 |
| TAP Air Portugal | 3,55 | Portugal | 4 |
| Philippine Airlines | 2,6 | Philippines | 2,6 |
| Finnair | 4,1 | Finland | 4,45 |
| Korean Airlines | 3,4 | South Korea | 3,45 |
| Hawaiian Airlines | 3,05 | United States | 4,5 |
| Lufthansa | 4,9 | Germany | 4,85 |
| Garuda Indonesia | 2,25 | Indonesia | 2,4 |
| Air Egypt | 2,2 | Egypt | 2,3 |
| Turkish Airlines | 3,2 | Turkey | 2,8 |
| Aerolíneas Argentinas | 2,85 | Argentina | 3,1 |
| Blue Air | 2,75 | Romania | 2,75 |
| Pakistan International Airlines | 2,3 | Pakistan | 2,25 |
| Air India | 2,5 | India | 2,4 |
| Virgin Australia Airlines | 3,85 | Australia | 4,15 |
| Alaska Airlines | 3,85 | | |
| South African Airways | 3,05 | South Africa | 3,2 |
| Iberia | 3,55 | Spain | 4,2 |
| Royal Air Maroc | 2,85 | Morocco | 2,55 |

Table 8: Pre-Test Findings

# A3 Field Study - Questionnaire & Responses

**Interviewer: Imagine you would fly from Frankfurt to Cape Town. How much would you be willing to pay for a round-trip with EgyptAir in economy class?**

**Interviewee 1:** Hmm. I mean, Cape Town is quite far away. I think, I would pay around 650€? I think around **650€** makes sense, as you have to fly quite a bit.

**Interviewee 2:** With EgyptAir? Well, I think I would not pay too much, maybe around 450€. It's not one of the best airlines as far as I know and it is economy class, right? So, I think, **450€** is fair.

**Interviewee 3:** What I would be willing to pay…maybe around **500€**, I guess. I mean, it's what? Ten hours flight? It cannot be very cheap, I guess.

**Interviewee 4:** It's a very long flight and it's a round trip, so I guess something around **700€** would be appropriate.

**Interviewer: Lufthansa is offering a trip from Frankfurt to Cape Town for 650 euros in economy class. How much of a price discount would you need to switch to EgyptAir instead?**

**Interviewee 1:** Well, if Lufthansa is offering the flight for 650€ already… I think, it should be much cheaper, maybe **30%?** That would be around 200€ less, that's a lot, but I also don't think that EgyptAir and Lufthansa would be the same kind of experience. So, yeah, 30%, I think.

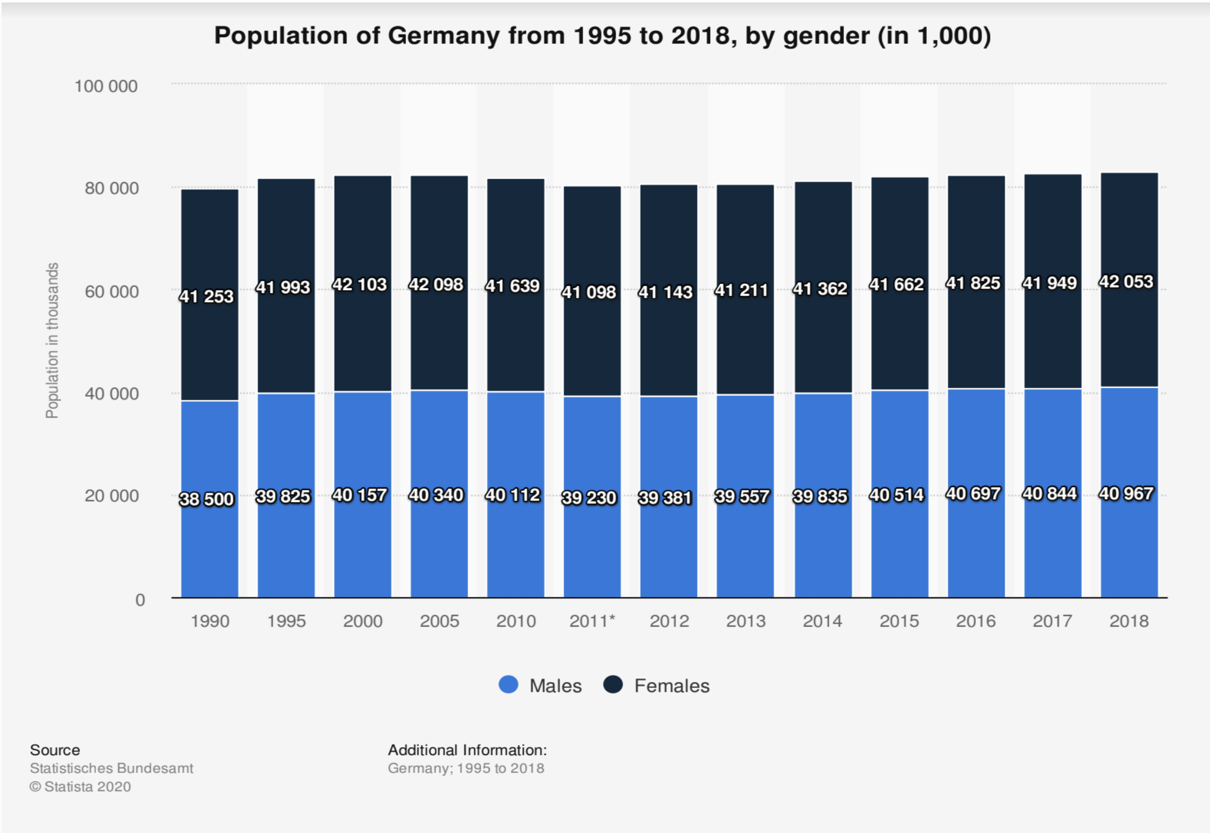
**Interviewee 2:** I never tried EgyptAir, but I really don't think that a flight with EgyptAir is comparable to Lufthansa's service and comfort. I think I would switch, if they give me like 35% to 40%...let's say around **40%** off.

**Interviewee 3:** Around 500€ makes sense for me, if Lufthansa would cost 650€. So, what is that? 20%ish? I think, I would choose EgyptAir, if it is around **20%** cheaper.

**Interviewee 4:** Well, I just want to get there and if I. can get it cheaper, that would be nice. Maybe they give me something like 10% to 15% off. I think, **15%** would be great, that's around 100€, which is realistic compared to Lufthansa and considering the flight duration.

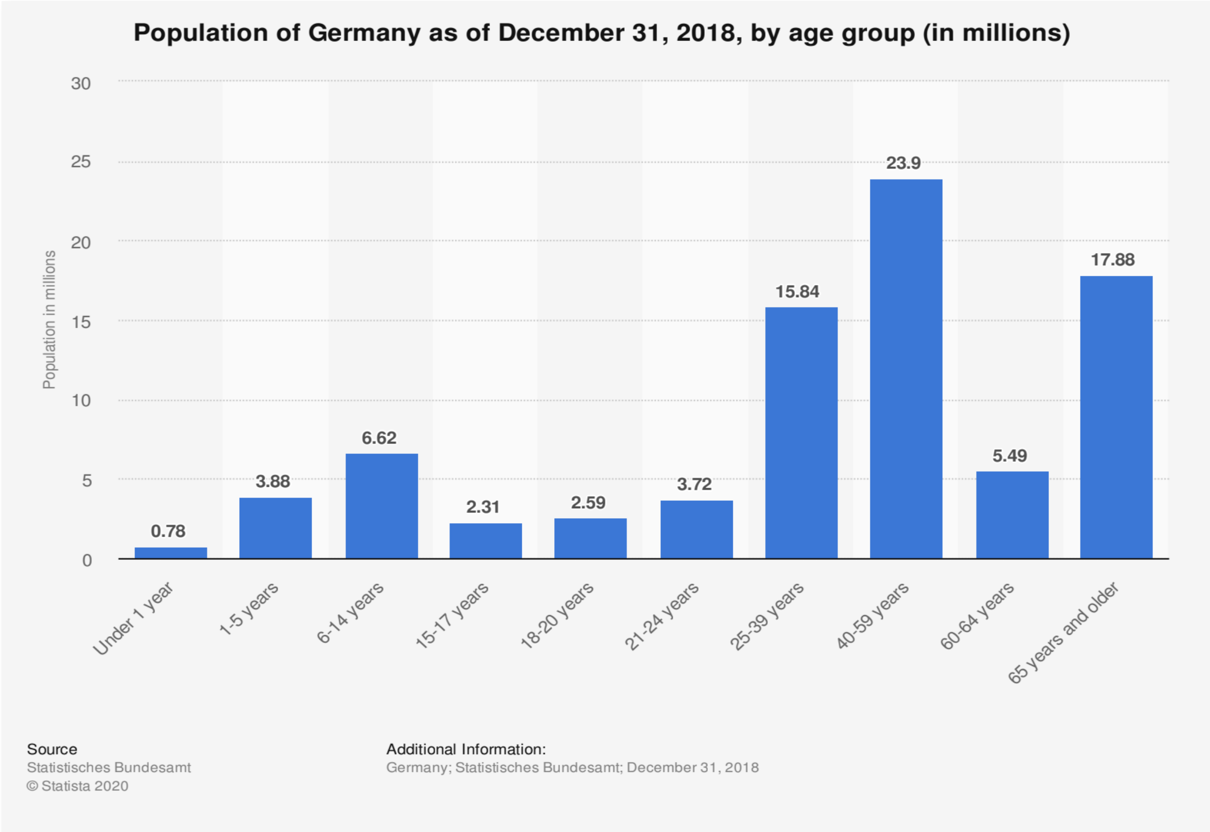
# APPENDIX B
# Target Population – Secondary Data

## B1 German Population




Source: Statista, 2020

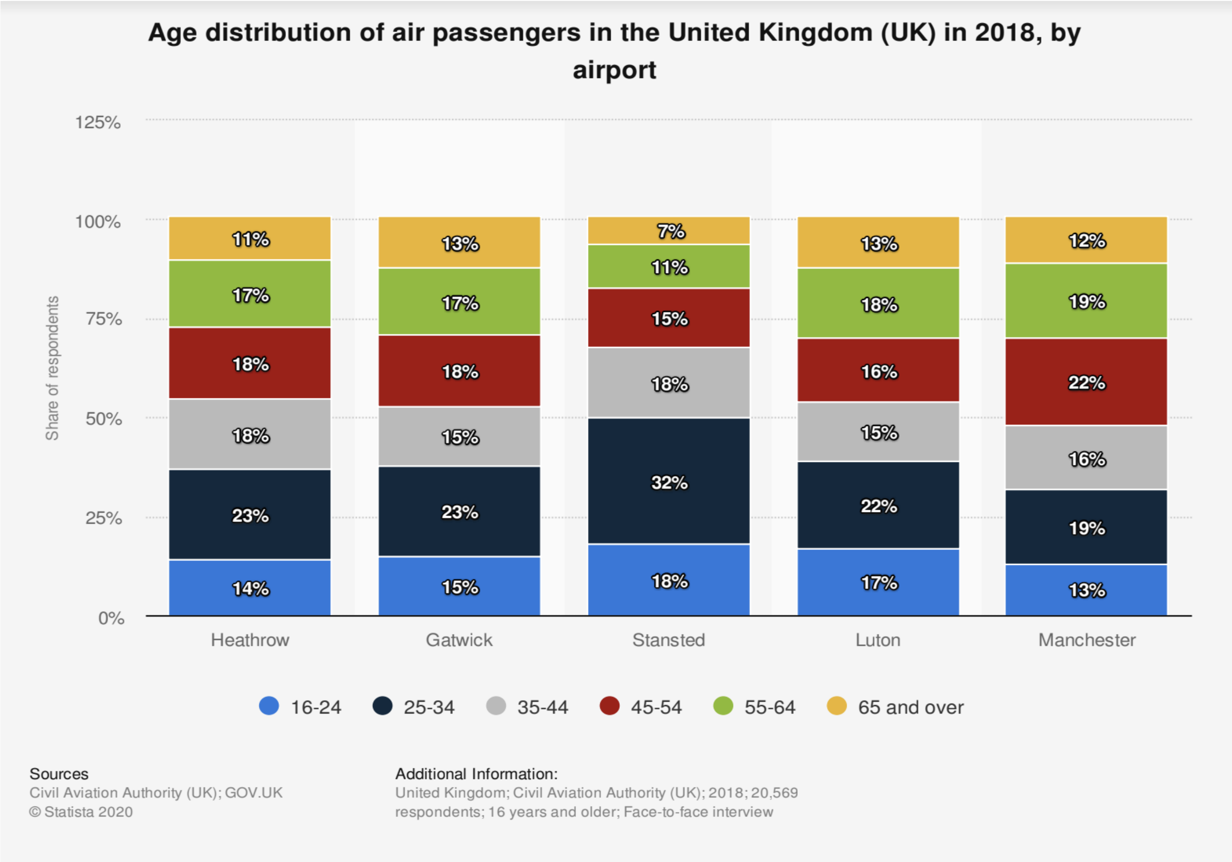
Figure 3: Population of Germany from 1995 to 2018, by gender (in 1,000)




Source: Statista, 2020

Figure 4: Population of Germany as of December 31, 2018, by age group (in millions)

# B1 Air Passengers – UK Benchmark




Source: Statista, 2020

Figure 5: Age distribution of air passengers in the United Kingdom (UK) in 2018

# APPENDIX C
# Survey Development

## C1 Survey Measurement Scales

### Country-of-Origin Image

**Kock, F., Josiassen, A., & Assaf, A. G. (2019). Toward a universal account of country-induced predispositions: integrative framework and measurement of country-of-origin images and country emotions. *Journal of International Marketing, 27*(3), 43-59.**

**adapted from:**
**Bagozzi, Richard P., Rajeev Batra, and Aaron Ahuvia (2016), Brand Love: Development and Validation of a Practical Scale, *Marketing Letters*, 28 (1), 1–14.**

On the following scales, please express your overall feelings and evaluations towards the country of Egypt:

1. Bad/ good
2. Unfavourable/ favourable
3. Negative/ positive

### Broad-Scope Trust & Narrow-Scope Trust

**Hansen, T. (2012). The Moderating Influence of Broad-Scope Trust on Customer-Seller Relationships. *Psychology & Marketing,* 29(5): 350–364**

**Broad-Scope Trust:**
1. In general, I believe that airlines can be relied upon to keep their promises.
2. In general, I believe that airlines are trustworthy.
3. Overall, I believe airlines are honest.

**Narrow-Scope Trust:**
1. I believe that EgyptAir can be relied upon to keep its promises.
2. I believe that EgyptAir is trustworthy.
3. Overall, I believe EgyptAir is honest.

## Willingness to buy

**Bello, Daniel C., Robert E. Pitts, and Michael J. Etzel (1983), The Communication Effects of Controversial Sexual Content in Television Programs and Commercials, *Journal of Advertising, 12* (3), 32-42.**

**Bone, Paula Fitzgerald and Pam Scholder Ellen (1992), The Generation and Consequences of Communication- Evoked Imagery, *Journal of Consumer Research, 19* (June), 93-104.**

**Bruner II, Gordon C., Karen James, and Paul J. Hensel (2001), Marketing Scales Handbook: A Compilation of Multi-Item Measures (Volume 3), Chicago: American Marketing Association.**

**Oliver, Richard L. and William O. Bearden (1985), Crossover Effects in the Theory of Reasoned Action: A Moderating Influence Attempt, *Journal of Consumer Research, 12* (December), 324-340.**

**Schreier, Martin, Christoph Fuchs, and Darren W. Dahl (2012), The Innovation Effect of User Design: Exploring Consumers' Innovation Perceptions of Firms Selling Products Designed by Users, *Journal of Marketing, 76* (5), 18–32.**

**Scale is adapted to flying service:**

Please indicate to what degree you agree with the following statements:

1. If you had the opportunity, would you consider flying with EgyptAir?
   a) *I would seriously consider flying with EgyptAir.*
   b) *I would actively search for EgyptAir.*

2. To me, purchasing a flight ticket from EgyptAir is:
   a) *very unlikely / likely*
   b) *very improbable / very probable*

3. What would be the future purchase probability of flight tickets from EgyptAir?
   a) *no chance, would never buy / certain, practically certain*

## Risk (Performance)

**Ma, Zhenfeng, Tripat Gill, and Ying Jiang (2015), Core Versus Peripheral Innovations: The Effect of Innovation Locus on Consumer Adoption of New Products, *Journal of Marketing Research, 52* (3), 309-324.**

**Stone, Robert N. and Kjell Grønhaug (1993), Perceived Risk: Further Considerations for the Marketing Discipline, *European Journal of Marketing, 27* (3), 39-50.**

Please indicate to what degree you agree with the following statements:

1. If I were to purchase a plane ticket with EgyptAir, I would be concerned whether it could provide the level of benefits that I expect.
2. I worry about whether EgyptAir will really perform as well as it is supposed to.
3. I am concerned that the service of EgyptAir would not meet my needs*

*Personal Suggestion

## Anxiety (Service Usage)

**Keh, Hean Tat and Jun Pang (2010), Customer Reactions to Service Separation, *Journal of Marketing, 74* (2), 55-70.**

**Stone, Robert N. and Kjell Grønhaug (1993), Perceived Risk: Further Considerations for the Marketing Discipline, *European Journal of Marketing, 27* (3), 39–50.**

Please indicate to what degree you agree with the following statements:

1. The thought of flying with EgyptAir makes me feel psychologically uncomfortable.
2. The thought of flying with EgyptAir gives me a feeling of unwanted anxiety.
3. The thought of flying with EgyptAir causes me to experience unnecessary tension.
4. I would worry a lot when flying with EgyptAir.

## Lay Rationalism

**Hsee, Christopher K., Yang Yang, Xingshan Zheng, and Hanwei Wang (2015), Lay Rationalism: Individual Differences in Using Reason Versus Feelings to Guide Decisions, *Journal of Marketing Research*, 52 (1), 134-146.**

Please indicate to what degree you agree with the following statements:

1. When making decisions, I like to analyse financial costs and benefits and resist the influence of my feelings.
2. When choosing between two options, one of which makes me feel better and the other better serves the goal I want to achieve, I choose the one that makes me feel better.
3. When making decisions, I think about what I want to achieve rather than how I feel.
4. When choosing between two options, one of which is financially superior and the other "feels" better to me, I choose the one that is financially better.
5. When choosing between products, I rely on my gut feelings rather than on product specifications (numbers and objective descriptions).
6. When making decisions, I focus on objective facts rather than subjective feelings.

## Word-of-mouth (positive)

**Lam, Son, Michael Ahearne, Ryan Mullins, Babak Hayati, and Niels Schillewaert (2013), Exploring the Dynamics of Antecedents to Consumer–Brand Identification with a New Brand, *Journal of the Academy of Marketing Science*, 41 (2), 234 - 252.**

Please indicate to what degree you agree with the following statements:

1. My friends have been talking positively about Egypt.
2. My friends have highly recommended Egypt.
3. People have talked about Egypt much more frequently than about other countries. *

*Personal Suggestion

## Cultural Openness

**Sharma, Subhash, Terence Shimp, and J. Shin (1995), Consumer Ethno- centrism: A Test of Antecedents and Moderators, *Journal of the Academy of Marketing Science*, 23 (1), 26–37**

Please indicate to what degree you agree with the following statements:

1. I engage in opportunities to meet people from other countries.
2. I like to learn more about other countries.
3. I enjoy meeting and interacting with people from foreign countries.
4. I like to learn about foreign cultures and customs.

## Media Exposure

**Lam, Son, Michael Ahearne, Ryan Mullins, Babak Hayati, and Niels Schillewaert (2013), Exploring the Dynamics of Antecedents to Consumer–Brand Identification with a New Brand, *Journal of the Academy of Marketing Science*, 41 (2), 234 - 252.**

Please indicate to what degree you agree with the following statements:

1. There has been a lot of media coverage about Egypt.
2. I am aware that there has been a lot of buzz about Egypt.
3. Advertisements relating to Egypt have caught my attention. *

*Personal Suggestion

# C2 Survey Back Translation – English to German

**Please use the following scales to express your general feelings and estimations about the country Egypt:**
***Bitte drücken Sie auf den folgenden Skalen Ihre allgemeinen Gefühle und Einschätzungen gegenüber dem Land Ägypten aus:***

| | |
|---|---|
| 1. Bad/Good | Schlecht/ Gut |
| 2. Unfavorable / Favorable | Unvorteilhaft/ vorteilhaft |
| 3. Negative/Positive | Negativ/ Positiv |

**Please indicate to what extent you agree with the following statements.**
***Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.***

| | |
|---|---|
| 1. Generally, I believe that airlines can be relied on to keep its promises. | Im Allgemeinen glaube ich, dass man sich darauf verlassen kann, dass Fluggesellschaften ihre Versprechen einhalten. |
| 2. Generally, I believe that airlines are trustworthy. | Im Allgemeinen glaube ich, dass Fluggesellschaften vertrauenswürdig sind. |
| 3. Overall, I believe that airlines are honest. | Insgesamt glaube ich, dass Fluggesellschaften ehrlich sind. |
| 4. I believe that you can rely on EgyptAir to keep its promises. | Ich glaube, dass man sich darauf verlassen kann, dass EgyptAir seine Versprechen einhält. |
| 5. I believe that EgyptAir is trustworthy. | Ich glaube, dass EgyptAir vertrauenswürdig ist. |
| 6. Overall, I believe that EgyptAir is honest. | Insgesamt glaube ich, dass EgyptAir ehrlich ist. |

**Please indicate to what extent you agree with the following statements.**
***Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.***

| | |
|---|---|
| 1. My friends have spoken positively about Egypt. | Meine Freunde haben positiv über Ägypten gesprochen. |
| 2. My friends have highly recommended Egypt. | Meine Freunde haben Ägypten sehr empfohlen. |
| 3. People talked about Egypt much more often than about other countries. | Leute haben viel häufiger über Ägypten gesprochen als über andere Länder. |

**Please indicate to what extent you agree with the following statements.**
***Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.***

| | |
|---|---|
| 1. When I make decisions, I like to analyze financial costs and benefits and resist the influence of my feelings. | Wenn ich Entscheidungen treffe, analysiere ich gerne finanzielle Kosten und Nutzen und widersetze mich dem Einfluss meiner Gefühle. |
| 2. When I choose between two options, one of which gives me a better feeling and the other better serves the goal I want to achieve, I choose the one that makes me feel better. | Wenn ich zwischen zwei Optionen wähle, von denen die eine mir ein besseres Gefühl gibt und die andere dem Ziel, das ich erreichen möchte, besser dient, wähle ich diejenige, die mir ein besseres Gefühl gibt. |
| 3. When I make decisions, I think more about what I want to achieve than about how I feel. | Wenn ich Entscheidungen treffe, denke ich eher darüber nach, was ich erreichen möchte, als darüber, wie ich mich fühle. |
| 4. When choosing between two options, one of which is financially better and the other "feels better" to me, I choose the one that is financially better | Bei der Wahl zwischen zwei Optionen, von denen die eine finanziell besser ist und die andere sich für mich „besser anfühlt", wähle ich diejenige, die finanziell besser ist. |
| 5. When choosing between the products I rely on my gut feeling and not on product specifications (numbers and objective descriptions). | Bei der Wahl zwischen den Produkten verlasse ich mich auf mein Bauchgefühl und nicht auf Produktspezifikationen (Zahlen und objektive Beschreibungen). |
| 6. When making decisions I concentrate on objective facts and not on subjective feelings. | Bei der Entscheidungsfindung konzentriere ich mich auf objektive Fakten und nicht auf subjektive Gefühle. |

**Please indicate to what extent you agree with the following statements.**
***Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.***

| | |
|---|---|
| 1. I take part in opportunities to meet people from other countries. | Ich nehme an Gelegenheiten teil, Menschen aus anderen Ländern zu treffen. |
| 2. I would like to learn more about other countries. | Ich möchte mehr über andere Länder erfahren. |
| 3. I enjoy meeting and interacting with people from other countries. | Es macht mir Spaß, Menschen aus anderen Ländern zu treffen und mit ihnen zu interagieren. |
| 4. I enjoy learning about foreign cultures and customs. | Ich lerne gerne etwas über fremde Kulturen und Bräuche. |

**Please indicate to what extent you agree with the following statements.**
***Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.***

| | |
|---|---|
| 1. The media has reported a lot about EgyptAir. | Die Medien haben viel über Ägypten berichtet. |
| 2. I am aware that a lot of fuss has been made about EgyptAir. | Ich bin mir bewusst, dass um Ägypten sehr viel Wirbel gemacht wurde. |
| 3. Advertisements relating to Egypt caught my attention. | Anzeigen mit Bezug auf Ägypten haben meine Aufmerksamkeit erregt. |

**Please indicate to what extent you agree with the following statements.**
***Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.***

If you had the opportunity, would you consider flying with EgyptAir?
*Wenn Sie die Möglichkeit hätten, würden Sie in Betracht ziehen, mit EgyptAir zu fliegen?*

| | |
|---|---|
| 1. I would seriously consider flying with EgyptAir. | Ich würde ernsthaft erwägen, mit EgyptAir zu fliegen. |
| 2. I would actively search for EgyptAir. | Ich würde aktiv nach EgyptAir suchen. |

For me, buying a flight ticket from EgyptAir:
*Für mich ist der Kauf eines Flugtickets von EgyptAir:*

| | |
|---|---|
| 1. very unlikely / likely | sehr unwahrscheinlich / wahrscheinlich |
| 2. very unlikely / very likely | sehr unwahrscheinlich / sehr wahrscheinlich |

What is your future probability of purchasing flight tickets from EgyptAir?
*Wie hoch wäre Ihre zukünftige Kaufwahrscheinlichkeit von Flugtickets von EgyptAir?*

| | |
|---|---|
| 1. no chance, I would never buy | keine Chance, würde nie kaufen |
| 2. sure, practically safe | sicher, praktisch sicher |

**Imagine you would fly from Frankfurt to Cape Town. How much would you be willing to pay for a round-trip flight with EgyptAir?**
***Stellen Sie sich vor, Sie würden von Frankfurt nach Kapstadt fliegen. Wie viel wären Sie bereit, für einen Hin- und Rückflug mit EgyptAir zu zahlen?***

**Imagine Lufthansa offers a trip from Frankfurt to Cape Town for 650 euros. How much discount would you need to switch to EgyptAir instead?**
***Stellen Sie sich vor, die Lufthansa bietet eine Reise von Frankfurt nach Kapstadt für 650 Euro an. Wie viel Preisnachlass würden Sie brauchen, um stattdessen zu EgyptAir zu wechseln?***

**Please indicate to what extent you agree with the following statements.**
***Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.***

| | |
|---|---|
| 1. If I would buy a flight ticket from EgyptAir, I would be worried if it could offer the level of benefits, I expect | Wenn ich ein Flugticket von EgyptAir kaufen würde, würde ich mir Sorgen machen, ob es das von mir erwartete Niveau an Vorteilen bieten könnte. |
| 2. I am worried about whether EgyptAir will really work as well as I hope it will. | Ich mache mir Sorgen darüber, ob EgyptAir wirklich so gut funktionieren wird, wie ich es mir erhoffe. |
| 3. I am concerned that the service of EgyptAir does not meet my needs. | Ich bin besorgt, dass der Service von EgyptAir nicht meinen Bedürfnissen entspricht. |

**Please indicate to what extent you agree with the following statements.**
***Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.***

| | |
|---|---|
| 1. The thought of flying with EgyptAir makes me psychologically uncomfortable | Der Gedanke, mit EgyptAir zu fliegen, bereitet mir psychisches Unwohlsein. |
| 2. The thought of flying with EgyptAir gives me a feeling of unwanted fear. | Der Gedanke, mit EgyptAir zu fliegen, gibt mir ein Gefühl von unerwünschter Angst. |
| 3. The thought of flying with EgyptAir causes me unnecessary tension. I would be very worried if I flew with EgyptAir. | Der Gedanke, mit EgyptAir zu fliegen, verursacht bei mir unnötige Spannungen. Ich würde mir große Sorgen machen, wenn ich mit EgyptAir fliege. |

# C3 Survey Back Translation – German to English

**Bitte drücken Sie auf den folgenden Skalen Ihre allgemeinen Gefühle und Einschätzungen gegenüber dem Land Ägypten aus:**
***Please use the following scales to express your general feelings and estimations about the country Egypt***

| | |
|---|---|
| 1. Schlecht/Gut | Bad/Good |
| 2. Unvorteilhaft/vorteilhaft | Unfavorable / Favorable |
| 3. Negativ/Positiv | Negative/Positive |

**Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.**
***Please indicate to what extent you agree with the following statements.***

| | |
|---|---|
| 1. Im Allgemeinen glaube ich, dass man sich darauf verlassen kann, dass Fluggesellschaften ihre Versprechen einhalten. | Generally, I believe that airlines can be relied on to keep its promises. |
| 2. Im Allgemeinen glaube ich, dass Fluggesellschaften vertrauenswürdig sind. | Generally, I believe that airlines are trustworthy. |
| 3. Insgesamt glaube ich, dass Fluggesellschaften ehrlich sind. | Overall, I believe that airlines are honest. |
| 4. Ich glaube, dass man sich darauf verlassen kann, dass EgyptAir seine Versprechen einhält. | I believe that you can rely on EgyptAir to keep its promises. |
| 5. Ich glaube, dass EgyptAir vertrauenswürdig ist. | I believe that EgyptAir is trustworthy. |
| 6. Insgesamt glaube ich, dass EgyptAir ehrlich ist. | Overall, I believe that EgyptAir is honest. |

**Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.**
***Please indicate to what extent you agree with the following statements.***

| | |
|---|---|
| 1. Meine Freunde haben positiv über Ägypten gesprochen. | My friends have spoken positively about Egypt. |
| 2. Meine Freunde haben Ägypten sehr empfohlen. | My friends have highly recommended Egypt. |
| 3. Leute haben viel häufiger über Ägypten gesprochen als über andere Länder. | People talked about Egypt much more often than about other countries. |

**Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.**
***Please indicate to what extent you agree with the following statements.***

| | |
|---|---|
| 1. Wenn ich Entscheidungen treffe, analysiere ich gerne finanzielle Kosten und Nutzen und widersetze mich dem Einfluss meiner Gefühle. | When I make decisions, I like to analyze financial costs and benefits and resist the influence of my feelings. |
| 2. Wenn ich zwischen zwei Optionen wähle, von denen die eine mir ein besseres Gefühl gibt und die andere dem Ziel, das ich erreichen möchte, besser dient, wähle ich diejenige, die mir ein besseres Gefühl gibt. | When I choose between two options, one of which gives me a better feeling and the other better serves the goal I want to achieve, I choose the one that makes me feel better. |
| 3. Wenn ich Entscheidungen treffe, denke ich eher darüber nach, was ich erreichen möchte, als darüber, wie ich mich fühle. | When I make decisions, I think more about what I want to achieve than about how I feel. |
| 4. Bei der Wahl zwischen zwei Optionen, von denen die eine finanziell besser ist und die andere sich für mich „besser anfühlt", wähle ich diejenige, die finanziell besser ist. | When choosing between two options, one of which is financially better and the other "feels better" to me, I choose the one that is financially better |
| 5. Bei der Wahl zwischen den Produkten verlasse ich mich auf mein Bauchgefühl und nicht auf Produktspezifikationen (Zahlen und objektive Beschreibungen). | When choosing between the products I rely on my gut feeling and not on product specifications (numbers and objective descriptions). |
| 6. Bei der Entscheidungsfindung konzentriere ich mich auf objektive Fakten und nicht auf subjektive Gefühle. | When making decisions I concentrate on objective facts and not on subjective feelings. |

**Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.**
***Please indicate to what extent you agree with the following statements.***

| | |
|---|---|
| 1. Ich nehme an Gelegenheiten teil, Menschen aus anderen Ländern zu treffen. | I take part in opportunities to meet people from other countries. |
| 2. Ich möchte mehr über andere Länder erfahren. | I would like to learn more about other countries. |
| 3. Es macht mir Spaß, Menschen aus anderen Ländern zu treffen und mit ihnen zu interagieren. | I enjoy meeting and interacting with people from other countries. |
| 4. Ich lerne gerne etwas über fremde Kulturen und Bräuche. | I enjoy learning about foreign cultures and customs. |

**Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.**
***Please indicate to what extent you agree with the following statements.***

| | |
|---|---|
| 1. Die Medien haben viel über Ägypten berichtet. | The media has reported a lot about Egypt. |
| 2. Ich bin mir bewusst, dass über Ägypten sehr viel Wirbel gemacht wurde. | I am aware that a lot of buzz has been made about Egypt. |
| 3. Anzeigen mit Bezug auf Ägypten haben meine Aufmerksamkeit erregt. | Advertisements relating to Egypt caught my attention. |

**Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.**
***Please indicate to what extent you agree with the following statements.***

Wenn Sie die Möglichkeit hätten, würden Sie in Betracht ziehen, mit EgyptAir zu fliegen?
*If you had the opportunity, would you consider flying with EgyptAir?*

| | |
|---|---|
| 1. Ich würde ernsthaft erwägen, mit EgyptAir zu fliegen. | I would seriously consider flying with EgyptAir. |
| 2. Ich würde aktiv nach EgyptAir suchen. | I would actively search for EgyptAir. |

Für mich ist der Kauf eines Flugtickets von EgyptAir:
*For me, buying a flight ticket from EgyptAir*

| | |
|---|---|
| 1. sehr unwahrscheinlich / wahrscheinlich | very unlikely / likely |
| 2. sehr unwahrscheinlich / sehr wahrscheinlich | very unlikely / very likely |

Wie hoch wäre Ihre zukünftige Kaufwahrscheinlichkeit von Flugtickets von EgyptAir?
*What is your future probability of purchasing flight tickets from EgyptAir?*

| | |
|---|---|
| 1. keine Chance, würde nie kaufen | no chance, I would never buy |
| 2. sicher, praktisch sicher | sure, practically safe |

**Stellen Sie sich vor, Sie würden von Frankfurt nach Kapstadt fliegen. Wie viel wären Sie bereit, für einen Hin- und Rückflug mit EgyptAir zu zahlen?**
***Imagine you would fly from Frankfurt to Cape Town. How much would you be willing to pay for a round-trip flight with EgyptAir?***

**Stellen Sie sich vor, die Lufthansa bietet eine Reise von Frankfurt nach Kapstadt für 650 Euro an. Wie viel Preisnachlass würden Sie brauchen, um stattdessen zu EgyptAir zu wechseln?**
***Imagine Lufthansa offers a trip from Frankfurt to Cape Town for 650 euros. How much discount would you need to switch to EgyptAir instead?***

**Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.**
***Please indicate to what extent you agree with the following statements.***

| | |
|---|---|
| 1. Wenn ich ein Flugticket von EgyptAir kaufen würde, würde ich mir Sorgen machen, ob es das von mir erwartete Niveau an Vorteilen bieten könnte. | If I would buy a flight ticket from EgyptAir, I would be worried if it could offer the level of benefits, I expect |
| 2. Ich mache mir Sorgen darüber, ob EgyptAir wirklich so gut funktionieren wird, wie ich es mir erhoffe. | I am worried about whether EgyptAir will really work as well as I hope it will. |
| 3. Ich bin besorgt, dass der Service von EgyptAir nicht meinen Bedürfnissen entspricht. | I am concerned that the service of EgyptAir does not meet my needs. |

**Bitte geben Sie an, inwieweit Sie mit den folgenden Aussagen einverstanden sind.**
***Please indicate to what extent you agree with the following statements.***

| | |
|---|---|
| 1. Der Gedanke, mit EgyptAir zu fliegen, bereitet mir psychisches Unwohlsein. | The thought of flying with EgyptAir makes me psychologically uncomfortable |
| 2. Der Gedanke, mit EgyptAir zu fliegen, gibt mir ein Gefühl von unerwünschter Angst. | The thought of flying with EgyptAir gives me a feeling of unwanted fear. |
| 3. Der Gedanke, mit EgyptAir zu fliegen, verursacht bei mir unnötige Spannungen. Ich würde mir große Sorgen machen, wenn ich mit EgyptAir fliege. | The thought of flying with EgyptAir causes me unnecessary tension. I would be very worried if I flew with EgyptAir. |

# APPENDIX D
# Survey Findings

## D1 Statistical Analysis of Variables

### Hypothesis 1: Country-of-Origin Image on Narrow-Scope Trust

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | COO[b] | . | Enter |

a. Dependent Variable: NST
b. All requested variables entered.

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics: R Square Change | F Change | df1 | df2 | Sig. F Change | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | ,149[a] | ,022 | ,017 | ,86553 | ,022 | 4,582 | 1 | 203 | ,034 | 1,842 |

a. Predictors: (Constant), COO
b. Dependent Variable: NST

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 3,432 | 1 | 3,432 | 4,582 | ,034[b] |
| | Residual | 152,077 | 203 | ,749 | | |
| | Total | 155,509 | 204 | | | |

a. Dependent Variable: NST
b. Predictors: (Constant), COO

**Coefficients[a]**

| Model | | Unstandardized Coefficients B | Std. Error | Standardized Coefficients Beta | t | Sig. | Collinearity Statistics Tolerance | VIF |
|---|---|---|---|---|---|---|---|---|
| 1 | (Constant) | 3,802 | ,194 | | 19,569 | ,000 | | |
| | COO | ,111 | ,052 | ,149 | 2,140 | ,034 | 1,000 | 1,000 |

a. Dependent Variable: NST

Table 9: Regression Analysis Results – COO Image on Narrow-Scope Trust

## Hypothesis 2: Narrow-Scope Trust on Willingness to Buy

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | NST[b] | . | Enter |

a. Dependent Variable: WTB
b. All requested variables entered.

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | ,265[a] | ,070 | ,066 | 1,02391 | ,070 | 15,369 | 1 | 203 | ,000 | 1,987 |

a. Predictors: (Constant), NST
b. Dependent Variable: WTB

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 16,113 | 1 | 16,113 | 15,369 | ,000[b] |
| | Residual | 212,822 | 203 | 1,048 | | |
| | Total | 228,934 | 204 | | | |

a. Dependent Variable: WTB
b. Predictors: (Constant), NST

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 1,334 | ,352 | | 3,790 | ,000 | | |
| | NST | ,322 | ,082 | ,265 | 3,920 | ,000 | 1,000 | 1,000 |

a. Dependent Variable: WTB

Table 10: Regression Analysis Results – Narrow-Scope Trust on Willingness to Buy

## Hypothesis 3: Narrow-Scope Trust on Willingness to Pay

**Variables Entered/Removed**[a]

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | NST[b] | . | Enter |

a. Dependent Variable: WTP

b. All requested variables entered.

**Model Summary**[b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | ,295[a] | ,087 | ,083 | ,76663 | ,087 | 19,347 | 1 | 203 | ,000 | 1,805 |

a. Predictors: (Constant), NST

b. Dependent Variable: WTP

**ANOVA**[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 11,371 | 1 | 11,371 | 19,347 | ,000[b] |
| | Residual | 119,307 | 203 | ,588 | | |
| | Total | 130,678 | 204 | | | |

a. Dependent Variable: WTP

b. Predictors: (Constant), NST

**Coefficients**[a]

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 1,141 | ,263 | | 4,329 | ,000 | | |
| | NST | ,270 | ,061 | ,295 | 4,399 | ,000 | 1,000 | 1,000 |

a. Dependent Variable: WTP

Table 11: Regression Analysis Results – Narrow-Scope Trust on Willingness to Pay

## Hypothesis 4: Narrow-Scope trust on Performance Risk

**Variables Entered/Removed**[a]

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | NST[b] | . | Enter |

a. Dependent Variable: PR
b. All requested variables entered.

**Model Summary**[b]

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics: R Square Change | F Change | df1 | df2 | Sig. F Change | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | ,526[a] | ,277 | ,273 | ,94511 | ,277 | 77,756 | 1 | 203 | ,000 | 2,059 |

a. Predictors: (Constant), NST
b. Dependent Variable: PR

**ANOVA**[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 69,454 | 1 | 69,454 | 77,756 | ,000[b] |
| | Residual | 181,326 | 203 | ,893 | | |
| | Total | 250,780 | 204 | | | |

a. Dependent Variable: PR
b. Predictors: (Constant), NST

**Coefficients**[a]

| Model | | Unstandardized Coefficients B | Std. Error | Standardized Coefficients Beta | t | Sig. | Collinearity Statistics Tolerance | VIF |
|---|---|---|---|---|---|---|---|---|
| 1 | (Constant) | 6,748 | ,325 | | 20,772 | ,000 | | |
| | NST | -,668 | ,076 | -,526 | -8,818 | ,000 | 1,000 | 1,000 |

a. Dependent Variable: PR

Table 12: Regression Analysis Results – Narrow-Scope Trust on Performance Risk

## Hypothesis 5: Narrow-Scope Trust on Anxiety

**Variables Entered/Removed**[a]

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | NST[b] | . | Enter |

a. Dependent Variable: ANX
b. All requested variables entered.

**Model Summary**[b]

| | | | | | Change Statistics | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df1 | df2 | Sig. F Change | Durbin-Watson |
| 1 | ,383[a] | ,146 | ,142 | ,89281 | ,146 | 34,801 | 1 | 203 | ,000 | 2,097 |

a. Predictors: (Constant), NST
b. Dependent Variable: ANX

**ANOVA**[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 27,740 | 1 | 27,740 | 34,801 | ,000[b] |
| | Residual | 161,812 | 203 | ,797 | | |
| | Total | 189,552 | 204 | | | |

a. Dependent Variable: ANX
b. Predictors: (Constant), NST

**Coefficients**[a]

| | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| Model | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | 5,413 | ,307 | | 17,638 | ,000 | | |
| | NST | -,422 | ,072 | -,383 | -5,899 | ,000 | 1,000 | 1,000 |

a. Dependent Variable: ANX

Table 13: Regression Analysis Results – Narrow-Scope Trust on Anxiety

## Hypothesis 6: Broad-Scope Trust on Country-Of-Origin Image and Narrow-Scope Trust

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | COOxBST, BST, COO[b] | . | Enter |

a. Dependent Variable: NST
b. All requested variables entered.

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | ,480[a] | ,230 | ,219 | ,77162 | ,230 | 20,062 | 3 | 201 | ,000 | 1,833 |

a. Predictors: (Constant), COOxBST, BST, COO
b. Dependent Variable: NST

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 35,834 | 3 | 11,945 | 20,062 | ,000[b] |
| | Residual | 119,675 | 201 | ,595 | | |
| | Total | 155,509 | 204 | | | |

a. Dependent Variable: NST
b. Predictors: (Constant), COOxBST, BST, COO

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 1,424 | ,848 | | 1,679 | ,095 | | |
| | COO | ,207 | ,226 | ,277 | ,917 | ,360 | ,042 | 23,882 |
| | BST | ,485 | ,167 | ,537 | 2,914 | ,004 | ,113 | 8,877 |
| | COOxBST | -,021 | ,044 | -,165 | -,469 | ,640 | ,031 | 32,361 |

a. Dependent Variable: NST

Table 14: Regression Analysis Results – BST on COO Image and NST

## Hypothesis 7: Lay Rationalism on Country-Of-Origin Image and Narrow-Scope Trust

**Variables Entered/Removed[a]**

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | LR, COO, COOxLR[b] | . | Enter |

a. Dependent Variable: NST

b. All requested variables entered.

**Model Summary[b]**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | | Durbin-Watson |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change | |
| 1 | ,239[a] | ,057 | ,043 | ,85414 | ,057 | 4,051 | 3 | 201 | ,008 | 1,859 |

a. Predictors: (Constant), LR, COO, COOxLR

b. Dependent Variable: NST

**ANOVA[a]**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 8,867 | 3 | 2,956 | 4,051 | ,008[b] |
| | Residual | 146,642 | 201 | ,730 | | |
| | Total | 155,509 | 204 | | | |

a. Dependent Variable: NST

b. Predictors: (Constant), LR, COO, COOxLR

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 3,298 | ,931 | | 3,544 | ,000 | | |
| | COO | ,025 | ,261 | ,033 | ,094 | ,925 | ,038 | 26,075 |
| | COOxLR | ,018 | ,060 | ,122 | ,293 | ,770 | ,027 | 37,064 |
| | LR | ,129 | ,215 | ,128 | ,601 | ,549 | ,104 | 9,617 |

a. Dependent Variable: NST

Table 15: Regression Analysis Results - Lay Rationalism on COO Image and NST

## Hypothesis 8: Word-of-Mouth on Country-Of-Origin Image

## Hypothesis 9: Cultural Openness on Country-of-Origin Image

## Hypothesis 10: Media Exposure on Country-of-Origin Image

**Variables Entered/Removed**[a]

| Model | Variables Entered | Variables Removed | Method |
|---|---|---|---|
| 1 | CuOp, WOM, ME[b] | . | Enter |

a. Dependent Variable: COO
b. All requested variables entered.

**Model Summary**[b]

| | | | | | Change Statistics | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df1 | df2 | Sig. F Change | Durbin-Watson |
| 1 | ,247[a] | ,061 | ,047 | 1,14114 | ,061 | 4,344 | 3 | 201 | ,005 | 1,946 |

a. Predictors: (Constant), CuOp, WOM, ME
b. Dependent Variable: COO

**ANOVA**[a]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 16,970 | 3 | 5,657 | 4,344 | ,005[b] |
| | Residual | 261,740 | 201 | 1,302 | | |
| | Total | 278,710 | 204 | | | |

a. Dependent Variable: COO
b. Predictors: (Constant), CuOp, WOM, ME

**Coefficients**[a]

| | | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|---|---|---|---|---|---|---|---|---|
| Model | | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| 1 | (Constant) | 2,414 | ,647 | | 3,730 | ,000 | | |
| | WOM | ,312 | ,099 | ,252 | 3,162 | ,002 | ,738 | 1,356 |
| | ME | -,208 | ,083 | -,201 | -2,509 | ,013 | ,730 | 1,370 |
| | CuOp | ,120 | ,090 | ,092 | 1,326 | ,186 | ,976 | 1,024 |

a. Dependent Variable: COO

Table 16: Regression Analysis Results – Antecedent variables on COO Image

# D2 Descriptive Analysis

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| NST - EgyptAir keeps its promises. | 205 | 2 | 7 | 4,25 | 0,971 |
| NST - EgyptAir is trustworthy. | 205 | 2 | 7 | 4,20 | 0,908 |
| NST - EgyptAir is honest. | 205 | 2 | 7 | 4,15 | 0,933 |
| WOM - Friends have been talking positively about Egypt. | 205 | 1 | 6 | 3,62 | 0,975 |
| WOM - Friends have highly recommended Egypt. | 205 | 1 | 6 | 3,41 | 1,154 |
| WOM - People talked much more frequently about Eypt than about other countries. | 205 | 1 | 7 | 2,46 | 1,381 |
| Media Exposure - There has been lot of media coverage about Egypt. | 205 | 1 | 7 | 2,88 | 1,395 |
| Media Exposure - There has been a lot of buzz about Egypt. | 205 | 1 | 6 | 2,94 | 1,390 |
| Media Exposure - The advertisements of Egypt have caught attention. | 205 | 1 | 6 | 2,29 | 1,307 |
| Performance Risk - Concern about level of benefits with EgyptAir | 205 | 1 | 7 | 3,99 | 1,161 |
| Performance Risk - Concern about performance of EgyptAir. | 205 | 1 | 7 | 3,96 | 1,220 |
| Performance Risk - Concern about service not meeting needs when flying EgyptAir. | 205 | 1 | 7 | 3,88 | 1,266 |
| Anxiety - Feeling psychologically uncomfortable when flying with EgyptAir. | 205 | 1 | 7 | 3,59 | 1,424 |
| Anxiety - Having a feeling of unwanted anxiety when flying EgyptAir. | 205 | 1 | 7 | 3,56 | 1,419 |
| Anxiety - Experiencing unnecessary tension when flying with EgyptAir. | 205 | 1 | 7 | 3,63 | 1,492 |
| Anxiety - Would worry a lot when flying with EgyptAir. | 205 | 1 | 7 | 3,43 | 1,486 |
| Willingness to Fly - I would seriously consider flying with EgyptAir. | 205 | 1 | 7 | 2,36 | 1,247 |
| Willingness to Fly - I would actively search for EgyptAir. | 205 | 1 | 7 | 2,89 | 1,290 |
| Willingness to Fly - Probability of purchasing a flight ticket with EgyptAir. | 205 | 1 | 7 | 2,80 | 1,194 |
| WTP - Imagine you would fly from Frankfurt to Cape Town. How much would you be willing to pay for a round-trip with EgyptAir in economy class? | 205 | 1 | 4 | 2,21 | 0,913 |
| WTP - Imagine Lufthansa is offering a trip from Frankfurt to Cape Town for 650 euros in economy class. How much of a price discount would you need to switch to EgyptAir instead? | 205 | 1 | 4 | 2,34 | 1,080 |

| | | | | | |
|---|---|---|---|---|---|
| COO Image - Bad/Good | 205 | 1 | 7 | 3,61 | 1,333 |
| COO Image - Unfavourable/Favourable | 205 | 1 | 7 | 3,45 | 1,148 |
| COO Image - Negative/Positive | 205 | 1 | 7 | 3,61 | 1,284 |
| Cultural Openness - I engage in opportunities to meet people from other countries. | 205 | 1 | 7 | 5,73 | 1,185 |
| Cultural Openness - I like to learn more about other countries. | 205 | 2 | 7 | 6,19 | 0,890 |
| Cultural Openness - I enjoy meeting and interacting with people from foreign countries. | 205 | 2 | 7 | 5,97 | 1,068 |
| Cultural Openness - I like to learn about foreign cultures and customs. | 205 | 2 | 7 | 6,17 | 0,881 |
| LR - When making decisions, I like to analyse financial costs and benefits and resist the influence of my feelings. | 205 | 1 | 7 | 4,47 | 1,374 |
| LR - When choosing between two options, one of which makes me feel better and the other better serves the goal I want to achieve, I choose the one that makes me feel better. | 205 | 1 | 6 | 3,46 | 1,266 |
| LR - When making decisions, I think about what I want to achieve rather than how I feel. | 205 | 1 | 7 | 4,40 | 1,335 |
| LR - When choosing between two options, one of which is financially superior and the other "feels" better to me, I choose the one that is financially better. | 205 | 1 | 7 | 3,89 | 1,387 |
| LR - When choosing between products, I rely on my gut feelings rather than on product specifications (numbers and objective descriptions). | 205 | 2 | 7 | 4,47 | 1,323 |
| LR - When making decisions, I focus on objective facts rather than subjective feelings. | 205 | 2 | 7 | 4,59 | 1,179 |
| BST - Airlines keep their promises. | 205 | 1 | 7 | 5,09 | 1,132 |
| BST - Airlines are trustworthy. | 205 | 1 | 7 | 5,09 | 1,060 |
| BST - Airlines are honest. | 205 | 1 | 7 | 4,65 | 1,121 |

Table 17: Overall Descriptive Statistics

# D3 Analysis of Linear Regression Assumptions – Variable Screening

## D3.1 Residual Plots

### Hypothesis 1: Country-Of-Origin Image on Narrow-Scope Trust

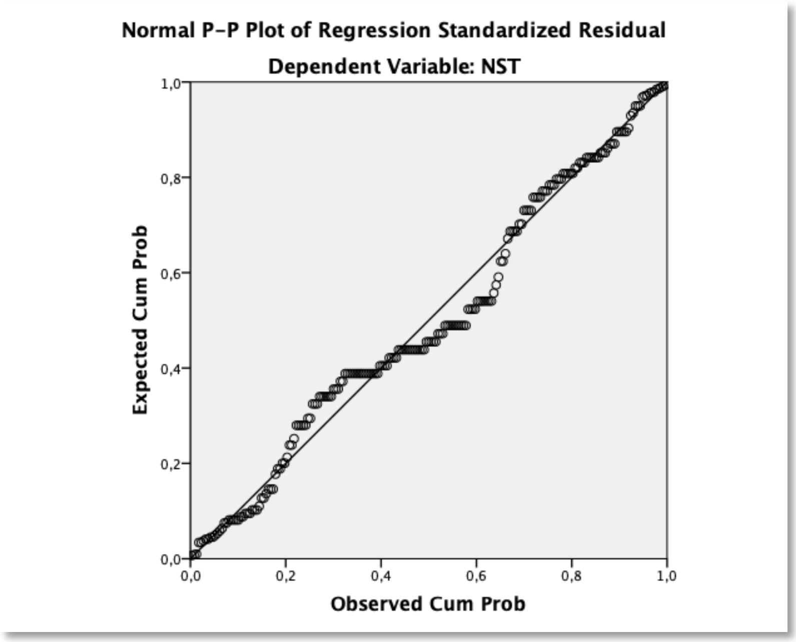



Figure 6: Residual Plot – Country-of-Origin Image on Narrow-Scope Trust

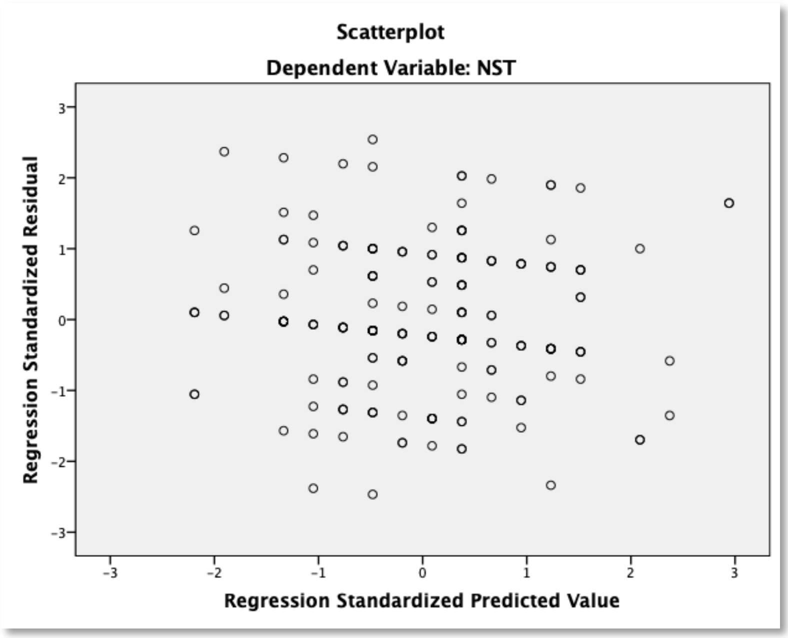



Figure 7: Scatterplot – Country-of-Origin Image on Narrow-Scope Trust

## Hypothesis 2: Narrow-Scope Trust on Willingness to Buy

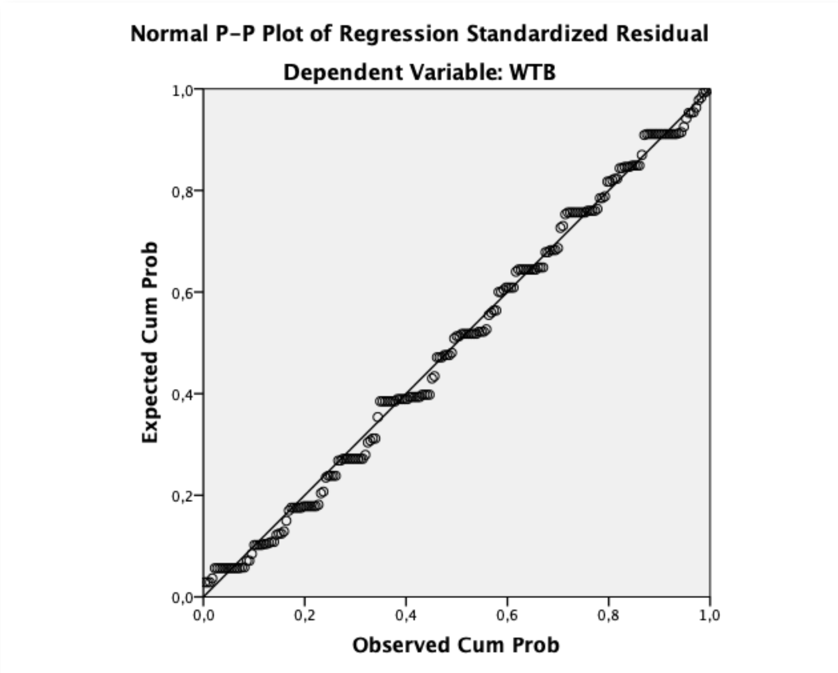



Figure 8: Residual Plot – Narrow-Scope Trust on Willingness to Buy

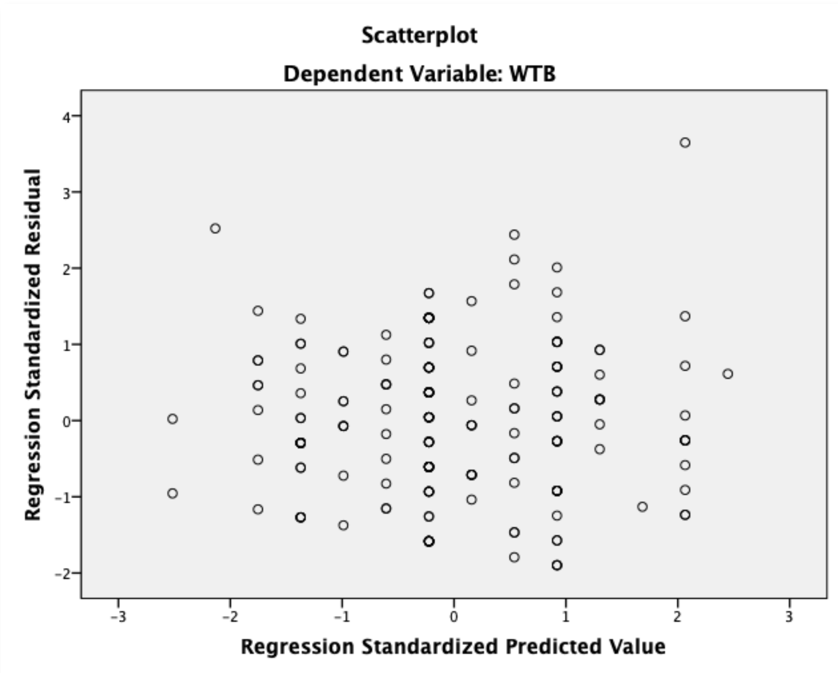



Figure 9: Scatterplot – Narrow-Scope Trust on Willingness to Buy

## Hypothesis 3: Narrow-Scope Trust on Willingness to Pay

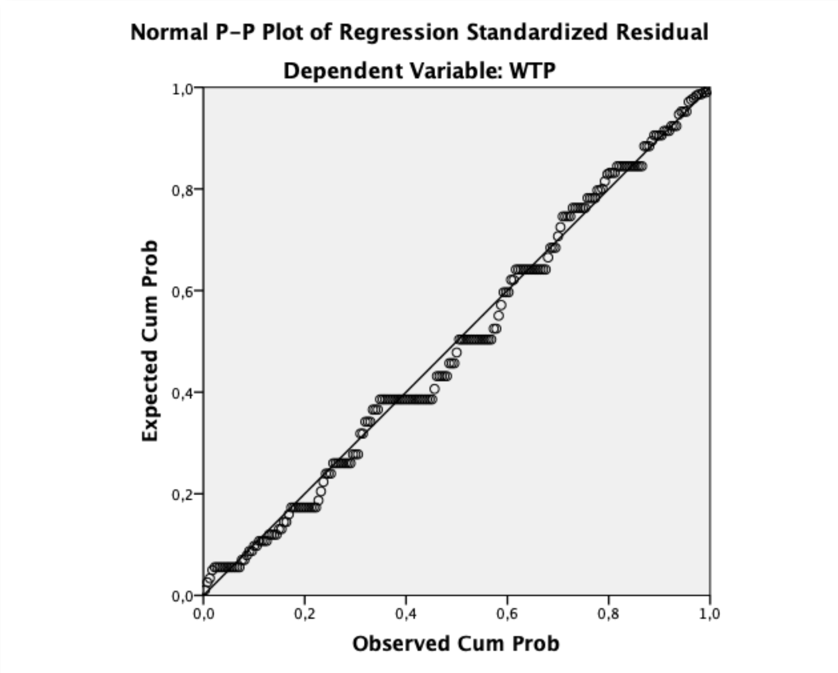



Figure 10: Residual Plot – Narrow-Scope Trust on Willingness to Pay

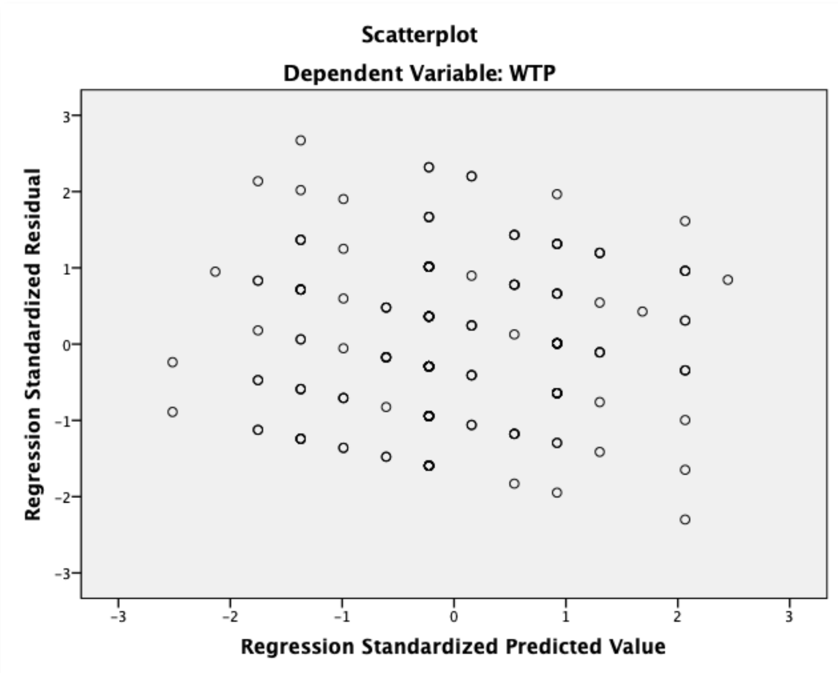



Figure 11: Scatterplot – Narrow-Scope Trust on Willingness to Pay

## Hypothesis 4: Narrow-Scope Trust on Performance Risk

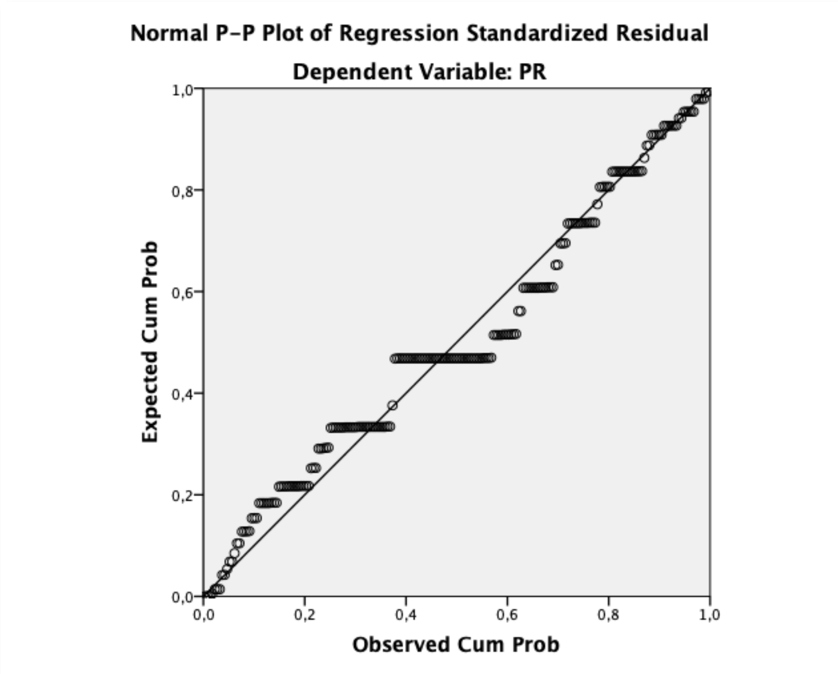



Figure 12: Residual Plot – Narrow-Scope Trust on Performance Risk

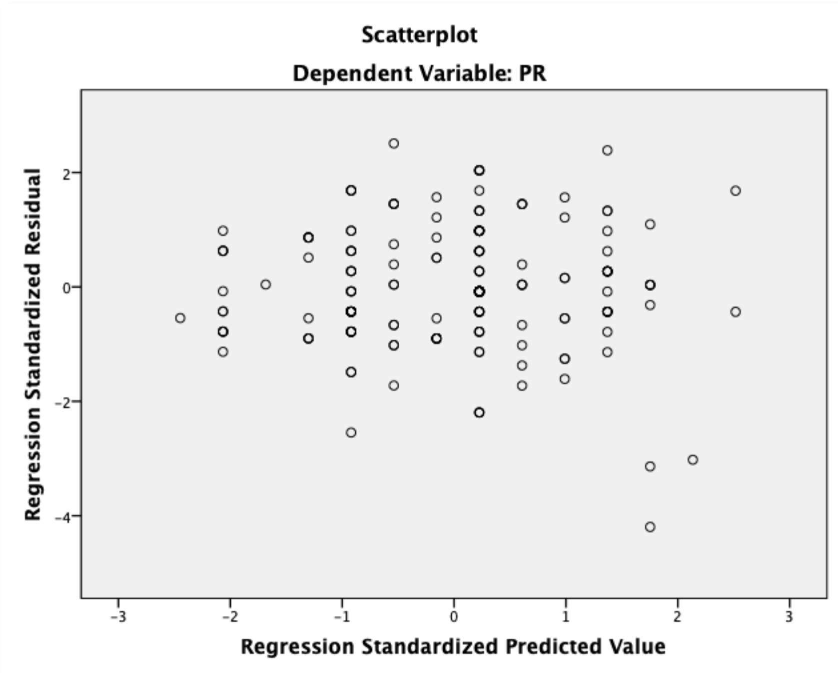



Figure 13: Scatterplot – Narrow-Scope Trust on Performance Risk

## Hypothesis 5: Narrow-Scope Trust on Anxiety

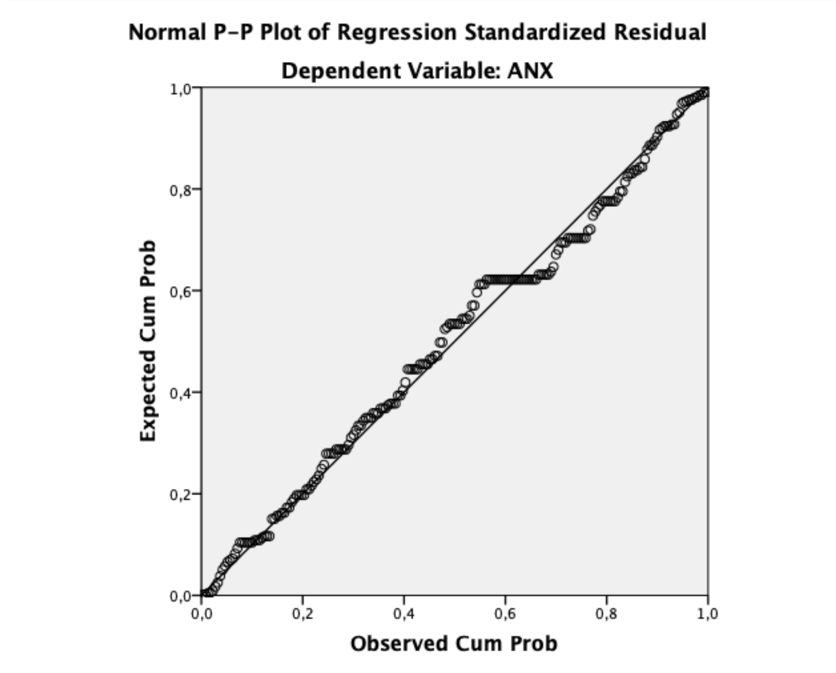



Figure 14: Residual Plot – Narrow-Scope Trust on Anxiety

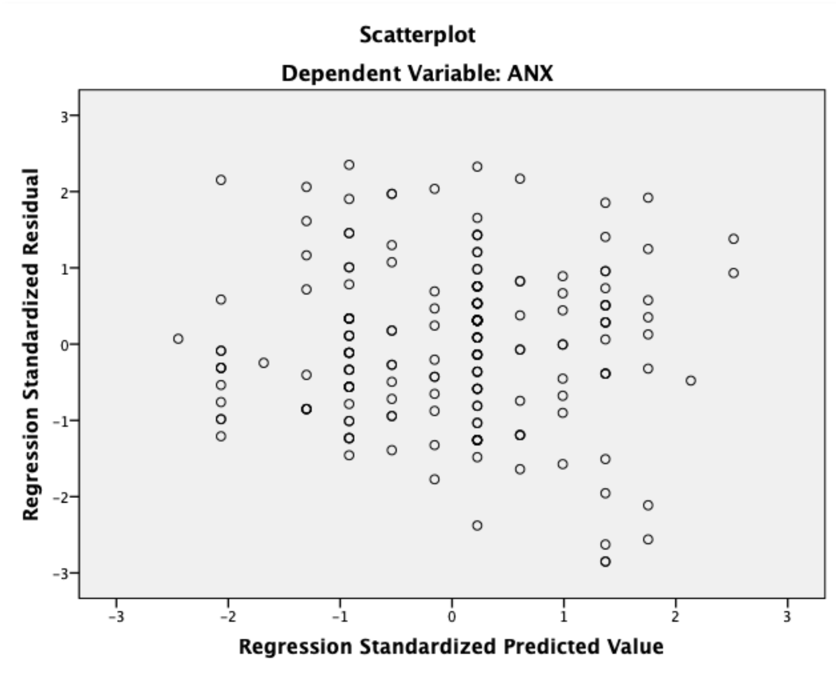



Figure 15: Scatterplot – Narrow-Scope Trust on Anxiety

## Hypothesis 6: Broad-Scope Trust on Country–of-Origin Image and Narrow-Scope Trust

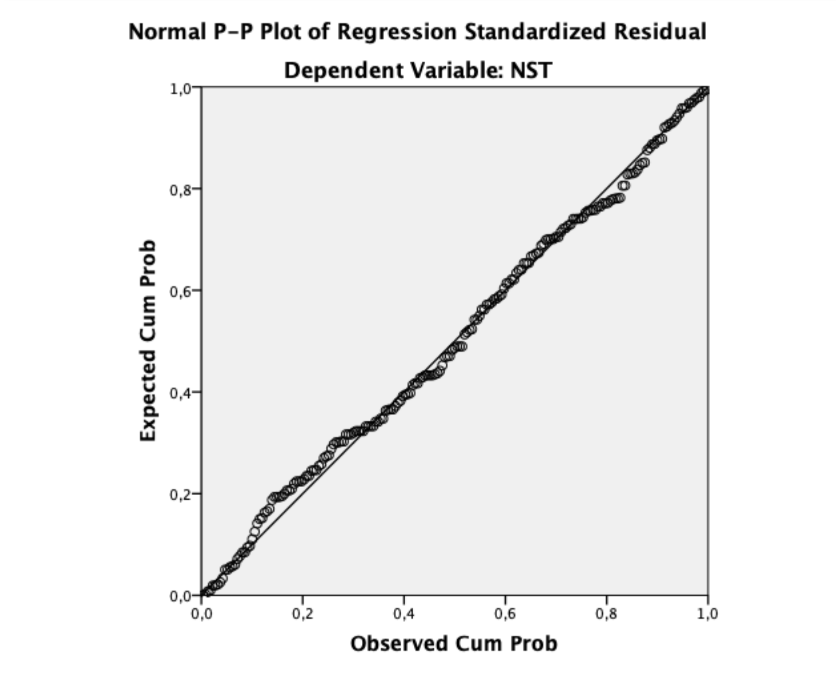



Figure 16: Residual Plot - Broad-Scope Trust on COO Image and Narrow-Scope Trust

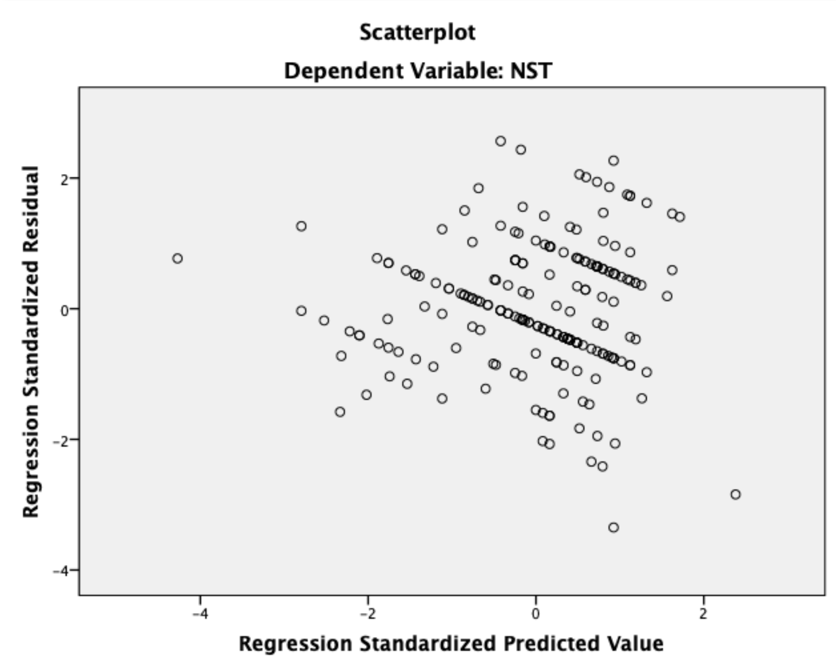



Figure 17: Scatterplot - Broad-Scope Trust on COO Image and Narrow-Scope Trust

## Hypothesis 7: Lay Rationalism on Country-of-Origin Image and Narrow-Scope Trust

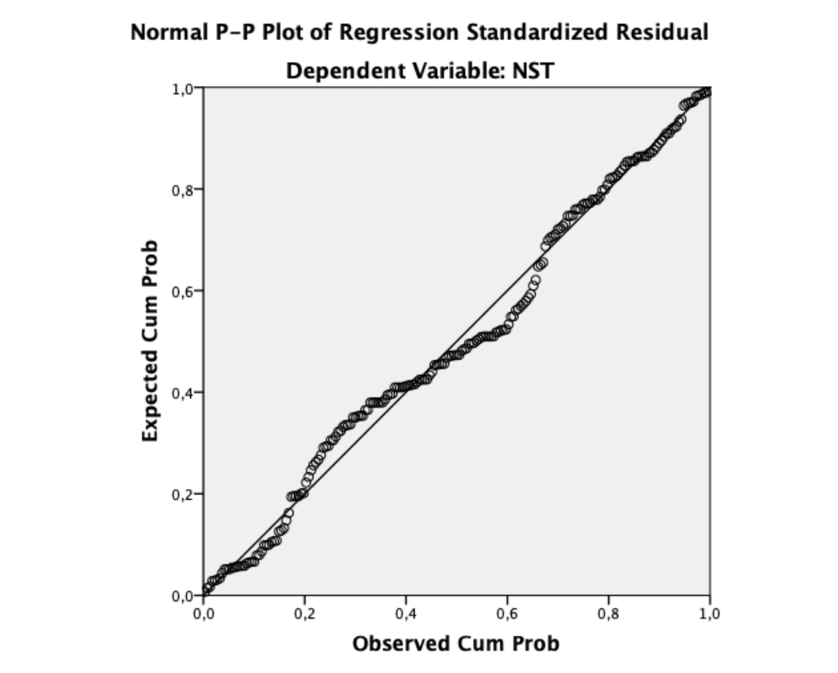



Figure 18: Residual Plot -Lay Rationalism on COO Image and Narrow-Scope Trust

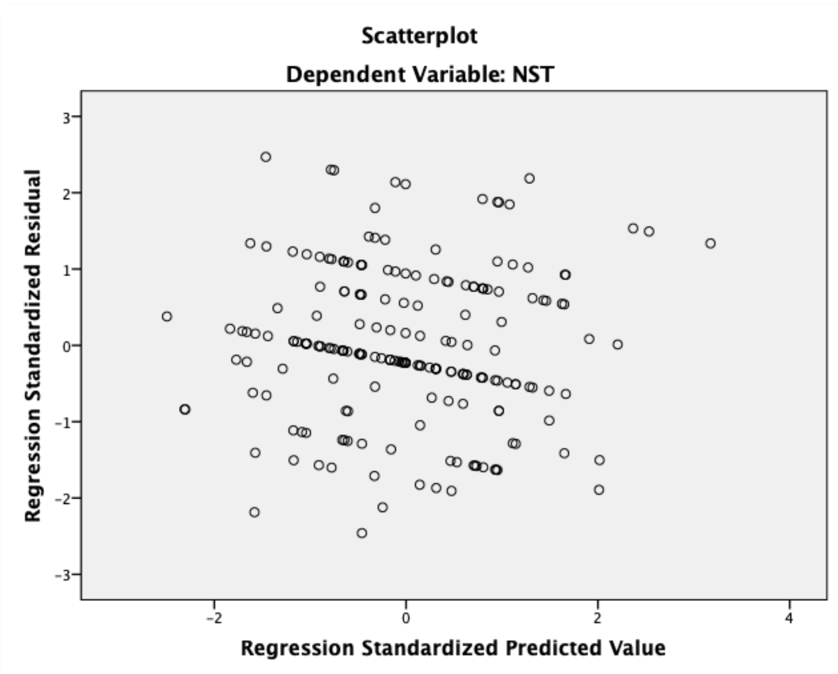



Figure 19: Scatterplot - Lay Rationalism on COO Image and Narrow-Scope Trust

**Hypothesis 8: Word-of-Mouth on Country-Of-Origin Image**
**Hypothesis 9: Cultural Openness on Country-of-Origin Image**
**Hypothesis 10: Media Exposure on Country-of-Origin Image**

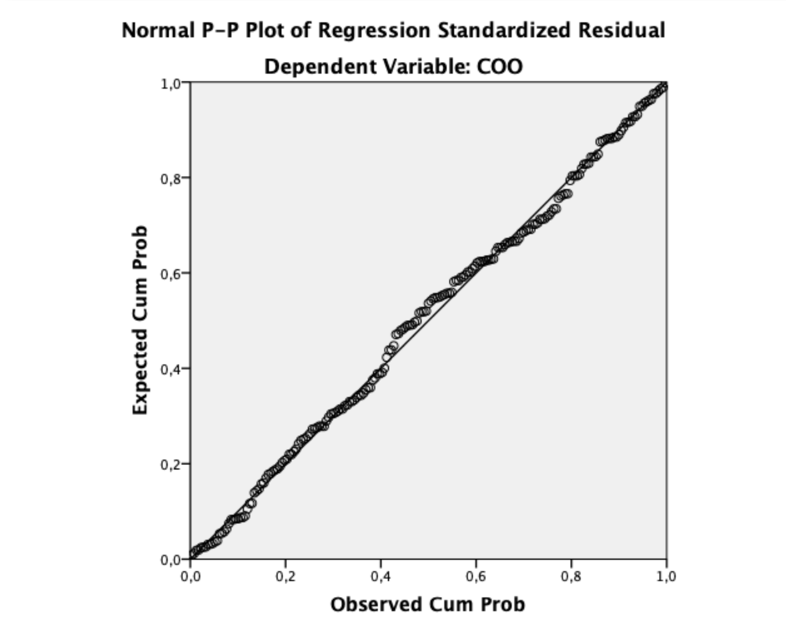



Figure 20: Residual Plot – Antecedent variables on COO Image

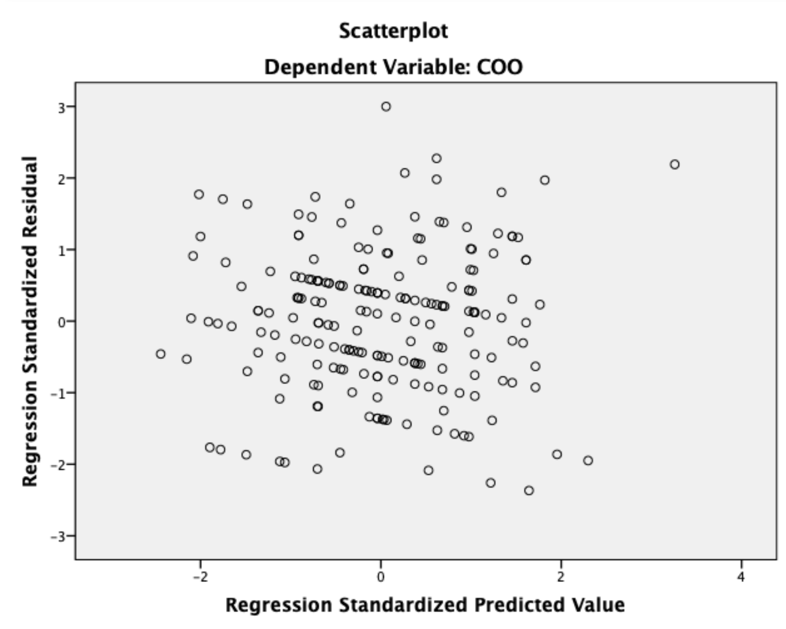



Figure 21: Scatterplot – Antecedent variables on COO Image

## D3.2 Normality Plots

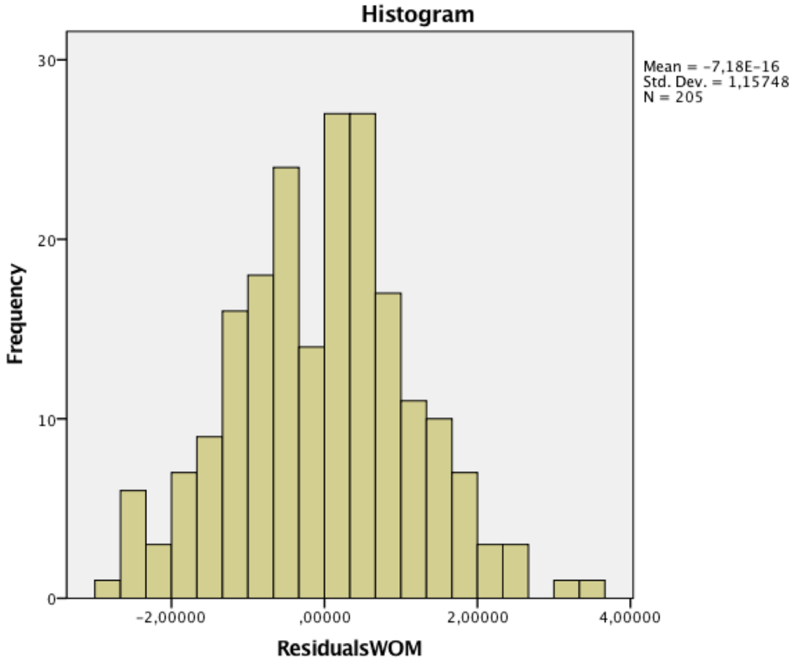



Figure 22: Normality Plot - Word-of-Mouth

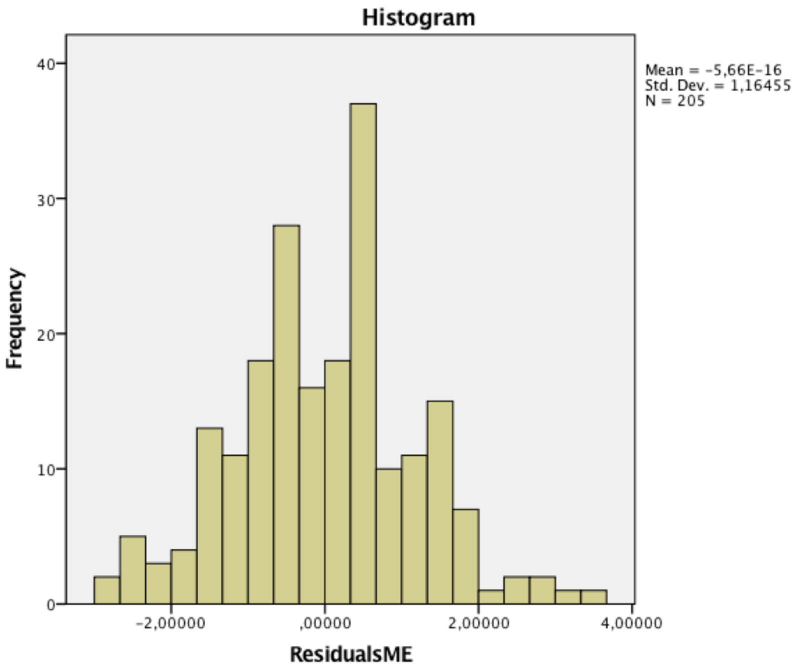



Figure 23: Normality Plot – Media Exposure

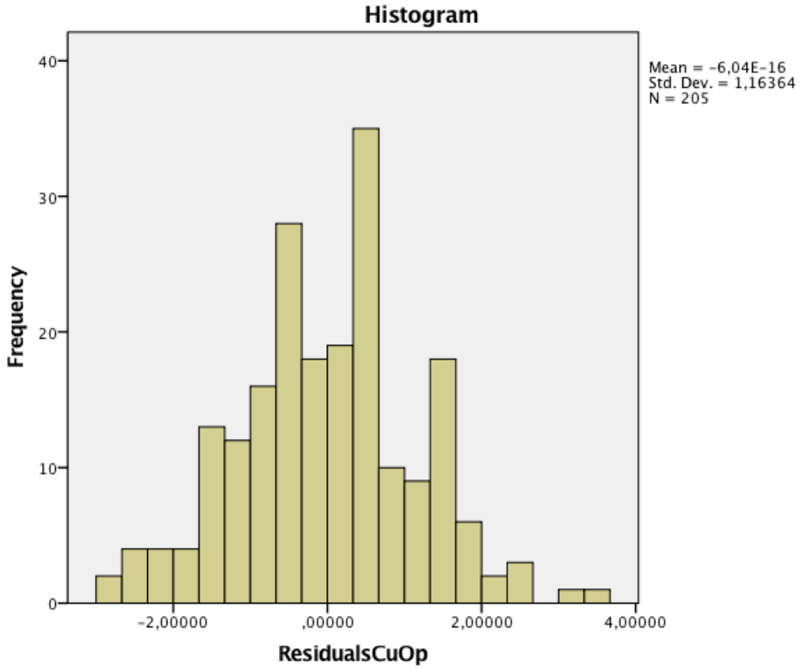



Figure 24: Normality Plot – Cultural Openness

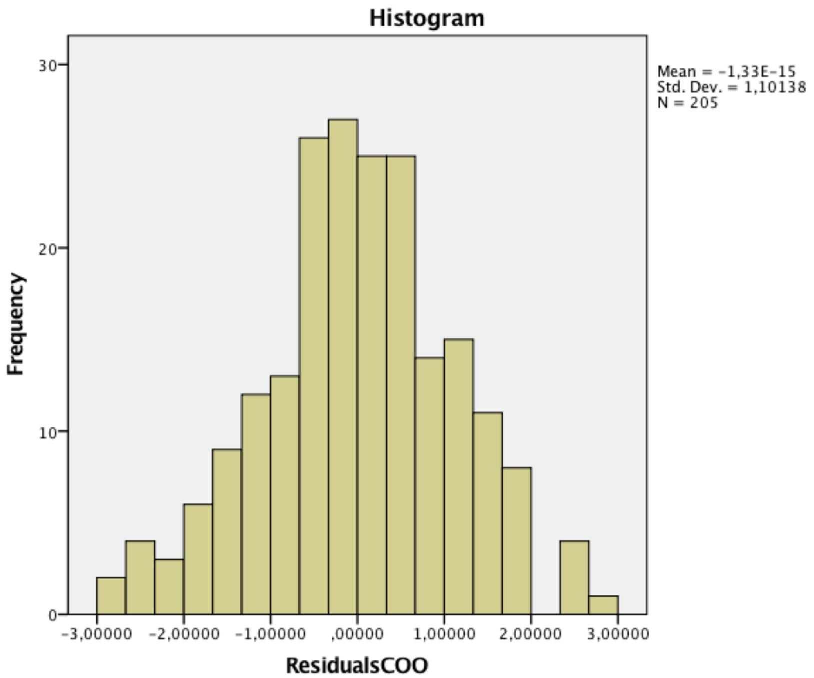



Figure 25: Normality Plot – COO Image

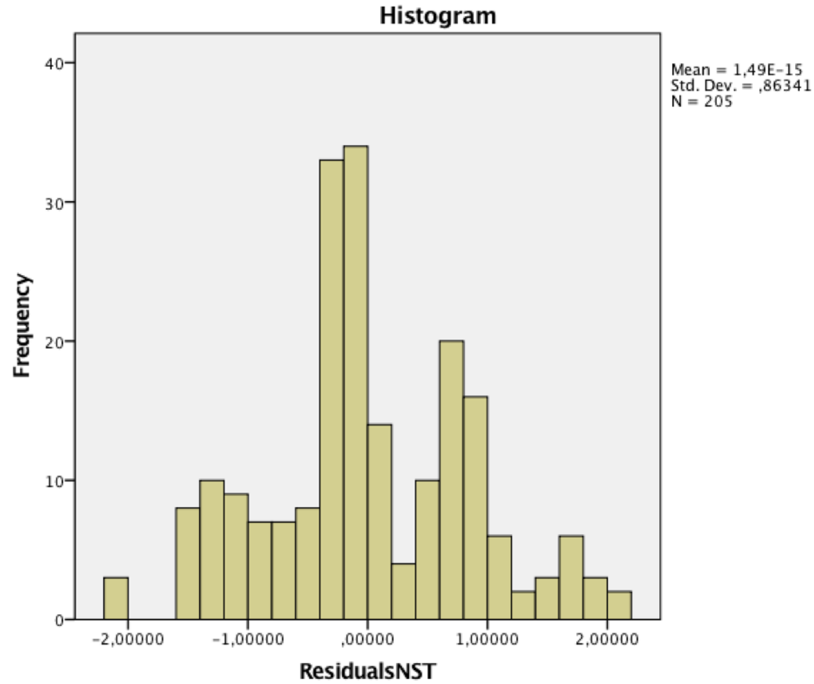



Figure 26: Normality Plot – Narrow-Scope Trust

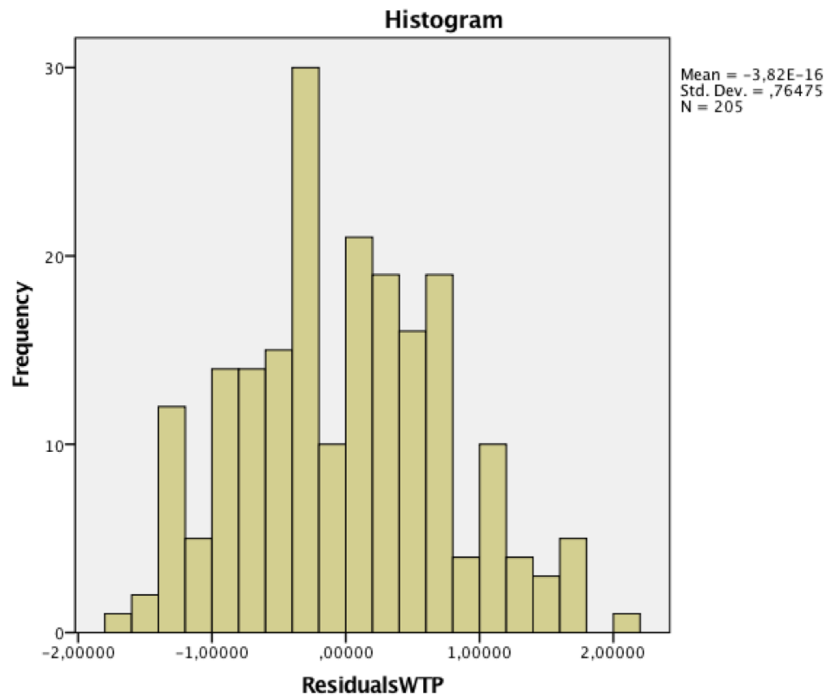



Figure 27: Normality Plot – Willingness to Pay

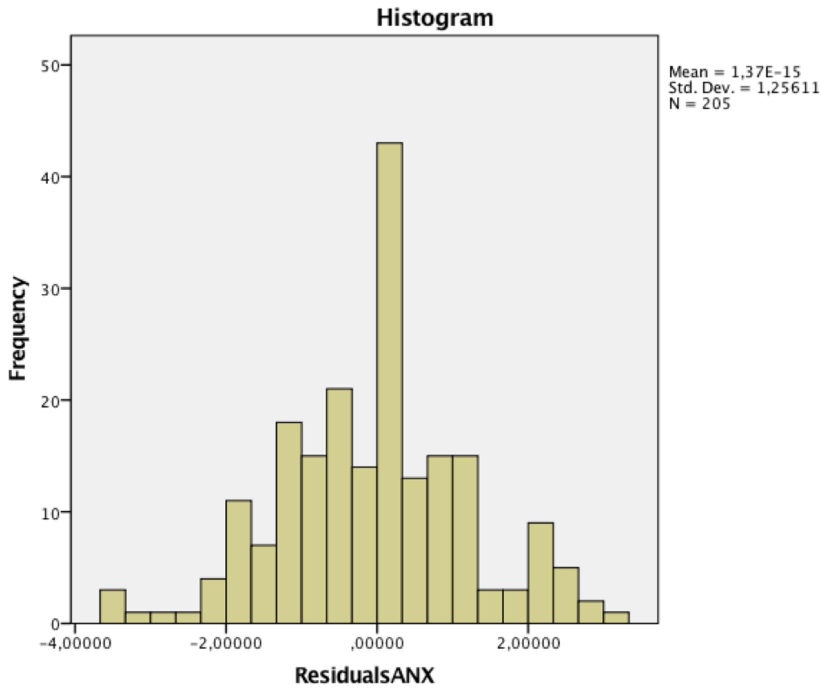



Figure 25: Normality Plot - Anxiety

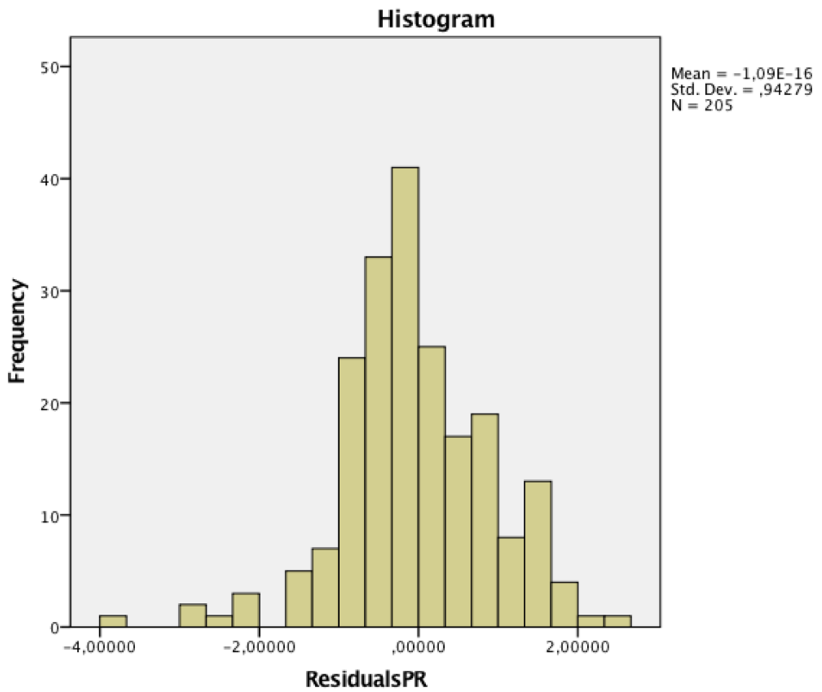



Figure 26: Normality Plot – Performance Risk

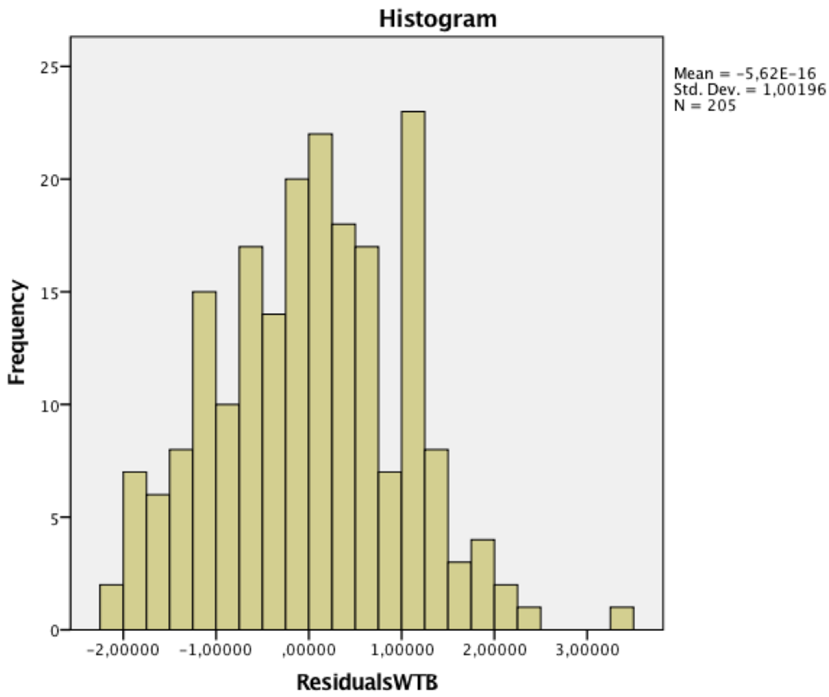



Figure 27: Normality Plot – Willingness to Buy

## D3.3 Variance of Moderators

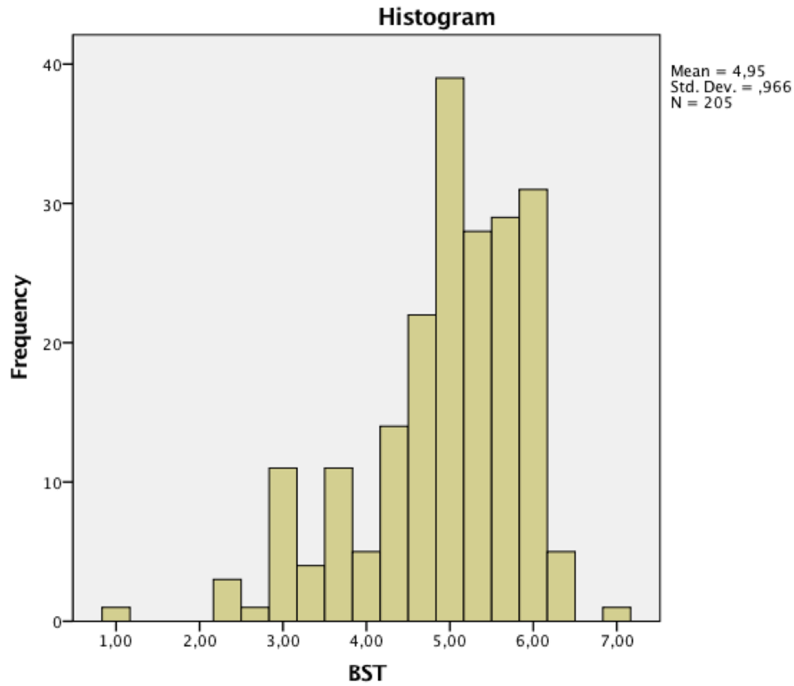



Figure 28: Variance Broad-Scope Trust

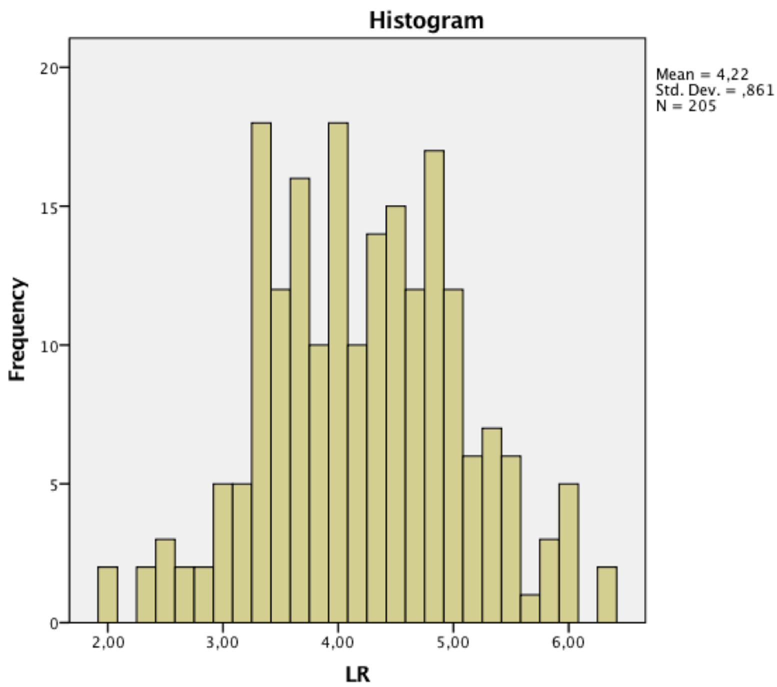



Figure 29: Variance Lay Rationalism

## D3.4 Outliers

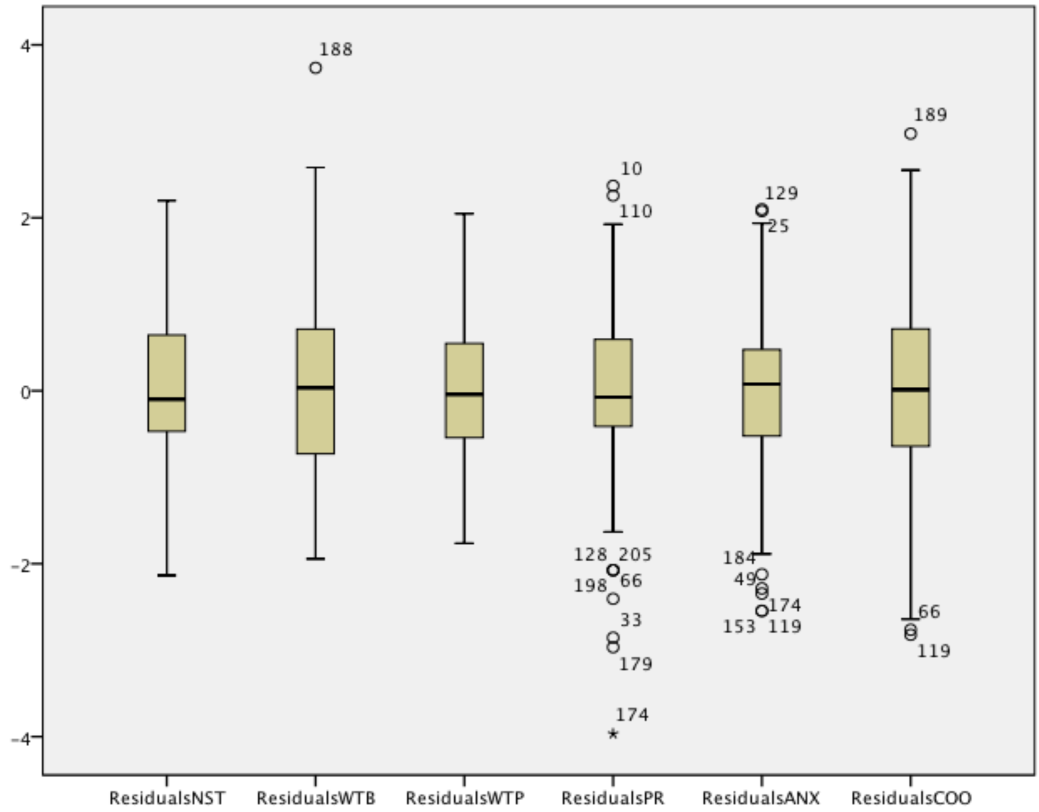



Figure 30: Residual Analysis - Outliers

## D3.5 Normality Check

| Normality Check | | |
|---|---|---|
| **Construct** | **Shapiro Wilk Test** | |
| | Statistic | p-value |
| COO Image | 0,996 | 0,81 |
| Narrow-Scope Trust | 0,985 | 0,028 |
| Willingness to Buy | 0,989 | 0,114 |
| Willingness to Pay | 0,986 | 0,046 |
| Performance Risk | 0,965 | 0,000 |
| Anxiety | 0,989 | 0,102 |
| Word-of-Mouth | 0,993 | 0,432 |
| Media Exposure | 0,991 | 0,262 |
| Cultural Openness | 0,992 | 0,337 |

Table 18: Normality Check

## D3.6 Linearity Check

| Linearity Check | | | |
|---|---|---|---|
| From | To | Sign. | Linear |
| COO Image | Narrow-Scope Trust | 0,031 | Yes |
| Narrow-Scope Trust | Willingness to Buy | 0,000 | Yes |
| Narrow-Scope Trust | Willingness to Pay | 0,000 | Yes |
| Narrow-Scope Trust | Performance Risk | 0,000 | Yes |
| Narrow-Scope Trust | Anxiety | 0,000 | Yes |
| Word-of-Mouth | COO Image | 0,049 | Yes |
| Media Exposure | COO Image | 0,219 | Not sufficiently linear; a limitation the author is willing to accept |
| Cultural Openness | COO Image | 0,173 | Not sufficiently linear; a limitation the author is willing to accept |

Table 19: Linearity Check

## D3.7 Reliability and Validity Check

| Reliability Statistic | |
|---|---|
| Variable | Cronbach's Alpha |
| COO Image | 0,921 |
| Narrow-Scope Trust | 0,923 |
| Willingness to Buy | 0,810 |
| Willingness to Pay | 0,439 |
| Performance Risk | 0,898 |
| Anxiety | 0,685 |
| Word-of-Mouth | 0,715 |
| Media Exposure | 0,769 |
| Cultural Openness | 0,905 |
| Broad-Scope Trust | 0,846 |
| Lay Rationalism | 0,735 |

Table 20: Reliability and Validity Check