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**“THE RELEVANCE OF COUNTRY-OF-ORIGIN EFFECTS ON PERCEIVED
QUALITY OF GLOBAL BRANDED PRODUCTS: a study with young Brazilian
customers”**

Master's Thesis in International Business

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ABSTRACT

Globalization and complex competitive environments has led companies to establish manufacture units in developing countries. Previous studies suggest that products manufactured in developed countries have a more positive image than products made in developing countries. However, researchers have been arguing that Country-of-origin (COO) effects are no longer relevant since young customers became used to see products designed in one country and manufactured in another. Thus, it is relevant to understand how consumers in emerging markets perceive partitioned country-of-origin cues and to which extent they are still influenced by country of origin effects. The present study analyze the perception of young Brazilian customers, in order to understand the joint effect of the Country-of-manufacturing (COM) and Country-of-design (COD) on quality perception of global branded products. Results are based on the analysis of qualitative data collected on 24 semi-structured interviews with young Brazilian customers focusing on global products manufactured in China. Findings suggest that COO effects have an overall low relevance among the interviewees, despite the fact that China as COM seems to still influence negatively product quality evaluation for many respondents. Nevertheless, it was possible to identify two different groups of customers. The first is less affected by COO effects, but more affected by Brand image, Perceived Brand Globalness and apparently more sensitive to cost versus benefit evaluation. The second group was more affected by COO image, but this influence was founded to be mainly mediated by animosity feelings. Other moderators and factors mediating the joint effect of COM and COD on product quality evaluation of global branded products are presented and discussed.

KEYWORDS: Country-of-origin effects, Country-of-manufacturing, Country-of-Design, Perceived product quality, Brazilian Customers.

1. INTRODUCTION

This chapter aims to introduce the topic of the study. First, the background of the study is presented underlining respective research gaps. The second part is followed by goal setting and objectives of this research in addition to the structure of the thesis. Finally, main concepts are defined according to the literature.

1.1. Background of the study

In order to affirm themselves in global markets, countries compete internationally for reputation and for foreign direct investment. Country-of-origin (COO) of products and brands have been argued to be an important driver of consumers' evaluation of products originating from different countries, influencing their purchasing choice (Bilkey & Nes, 1982; Papadopoulos, 1993) and providing information of quality, reliability and durability of products (Bilkey & Nes, 1982).

Moreover, the globalization and the need for compete in complex environments has led companies to establish manufacture units in developing countries. In a pursuit of lower costs and in an attempt to maintain the same level of quality, firms are ending in areas or countries not well recognized for the production of specific products. Cases in Europe can be mentioned as IKEA - "Designed in Sweden. Made in Czech Republic." - and H&M, also from Sweden, which presents labels "Made in China" among other developing countries as Turkey or Bangladesh.

In a variation, Apple Corporation is utilizing an alternative strategy when products utilize components from a variety of countries but just a specific country as assembling place. The company started to label 'Assembled in' instead of 'Made in' (Saunders, 2010), probably in order to reduce the negative COO effect caused by "Made in China". They are also emphasizing the "Designed in" in a way that seems to add value to the product/brand, as one of the main recognized brand attributes of Apple is design. The

famous Ipod, produced by Apple is one example of product which carries the label “Designed in California, Assembled in China”.

On the other hand, the Finnish mobile company Nokia, use just “Designed in Finland”; what can make one think “made in... wherever”, as the relevant information for to assure quality (or the one which the company wants to sell) is the Country-of-design. This way, the use of COO in global marketing strategies is becoming complex. Moreover, it is increasingly usual in global sourcing the use of components originated in multiple countries. In some cases, it has been almost impossible to identify a specific COO (Saunders, 2010; Clarke, Owens and Ford, 2000), which might also be the case of Nokia above mentioned.

According to Papadopoulos, Heslop and Bamossy (1998) study, perceptions about country image may vary depending on the level of economic development of the country. This way, the COO can affect product evaluations, suggesting that products manufactured in more developed countries have a more positive image than products made in developing countries. For example, products made in Germany would be commonly associated with high quality and reliability, while products made in China will be assessed as non-durable and lacking quality standards.

Saunders (2010) argues that a limitation of studies in COO field was not taking into account multiple countries of origin. Then, an analysis on the influence of more than one country of origin (e. g. country-of-design, country-of- assembly, country-of-brand, etc) for the same product might be relevant. In addition, “further examination is required of the relationship between brand management and country-of-origin”. (Dinnie, 2004: 29).

The idea that the world is becoming flat (Friedman, 2006) and that especially young customers became used to see different brands from different countries, suggests that the country-of-origin effect is no longer relevant in the analysis and selection of brand and products (Usunier, 2006). Besides, since 1980 (e.g. Levitt 1983) it has been

suggested that consumer needs and wants are converging, creating a global customer, who gives little importance to nation-states. Instead, they apparently have been considered superficial entities of little value as indicators of product quality. Thus, it is relevant to understand how consumers perceive COO clues and to which extent they are still influenced by COO effects.

In addition, considering the attractiveness of Brazil as a market to be explored by multinational companies, the understanding of Brazilian customers' perceptions about foreign brands and products as well as the influence of COO effects can be relevant for international marketers intending to invest in the country.

An study presented by Holt, Quelch and Taylor (2004) addressing how global brands compete, found that consumer preference for global brands is based on their perception of such brands as offering, firstly, higher quality and, secondly, prestige. Then, from the Brazilians customers' point of view, although a global brand suggests prestige, if its products are produced in another emerging country, are they really perceived as a product with better quality?

Considering that COO may influence consumer behavior leading consumers to evaluate, select and purchase (or not) products made in a specific country (Bilkey & Nes, 1982; Dinnie, 2004, Pharr, 2005), this influence should be reflected in marketing strategies that global companies develop. This study can support marketers in their branding strategies to improve or develop their labeling practices and policies to convey country-of-origin information. Moreover, "it is becoming increasingly necessary to study consumer decision making when two sets of country-of-origin information are provided on the label" (Saunders, 2010: 475).

1.2. Research question and objectives

This study aims to analyze the relevance of COO effects on perceived product quality. Specifically, it proposes to focus on the joint effect of the Country-of- manufacturing

(COM) and Country-of-design (COD) on brand image (BI) and perceived product quality (PPQ), from young Brazilian customers' point of view. Then, the research question to be answered is: How the joint effect of COD and COM is perceived by young Brazilian consumers when evaluating quality of a global branded product?

The objectives of this study can be divided in theoretical objectives:

- To review the existing literature related to COO effects in order to analyze possible moderators and mediators of its influence on PPQ of global brands.
- To examine the literature about BI to understand its relationship with COO effects and its influence on PPQ of global brands.
- To develop a theoretical framework which represents the factors that might influence the perception of the joint effect of COD and COM by young Brazilian consumers when evaluating quality of a global branded product.

And empirical objectives:

- To analyze if COO effects - composed by COM and COD - can be considered relevant in product quality evaluation of global branded products by young Brazilian customers.
- To identify and discuss the relevant aspects moderating the joint effect of COD and COM considered by Brazilian consumers when evaluating a global branded product.
- To examine the possible influence of animosity regarding to partitioned constructions of COO on Brazilian customers.

The structure of this study is presented as follow:

In the Chapter 1, a background on the topic is provided illustrating potential contribution of this research. The goals of the study are presented in addition to the

research problem, as well as theoretical and empirical objectives. The structure of the study is presented to complement the introduction.

Chapter 2 introduces the concept of COO and its constructions. Initially, previous research in COO studies is shortly reviewed, unfolding with COO research in emerging markets. Theory regarding the jointly use of COD and COM is discussed, followed by the conceptualization of *fit* and *animosity*. The chapter ends explaining the idea of *Perceived Product Quality*. Finally, a figure summarizing the chapter discussion is presented.

Chapter 3 starts discussing the concept of brand and theories regarding Brand image and its relationship with COO effects. The concepts of *typicality* and *Congruity* are presented and main findings regarding these themes are discussed. The construct of *Perceived Product Quality of branded products* closes the chapter. Finally, the ideas of chapter 2 and 3 are summarized in a figure and the theoretical framework of the study is presented at the end of this chapter.

Chapter 4 is dedicated to the methodology applied in the present study. This chapter firstly describes the research design, followed by methodological approaches and research method utilized. Furthermore, the sample and data collection techniques are explained in details. Finally, procedures to assure the validity and reliability of the study are highlighted.

Chapter 5 analyzes data collected from the interviews, describes and discusses the empirical results of the study.

Finally, chapter 6 presents the conclusions of the study, acknowledges its limitations and identifies potential managerial implications of the results.

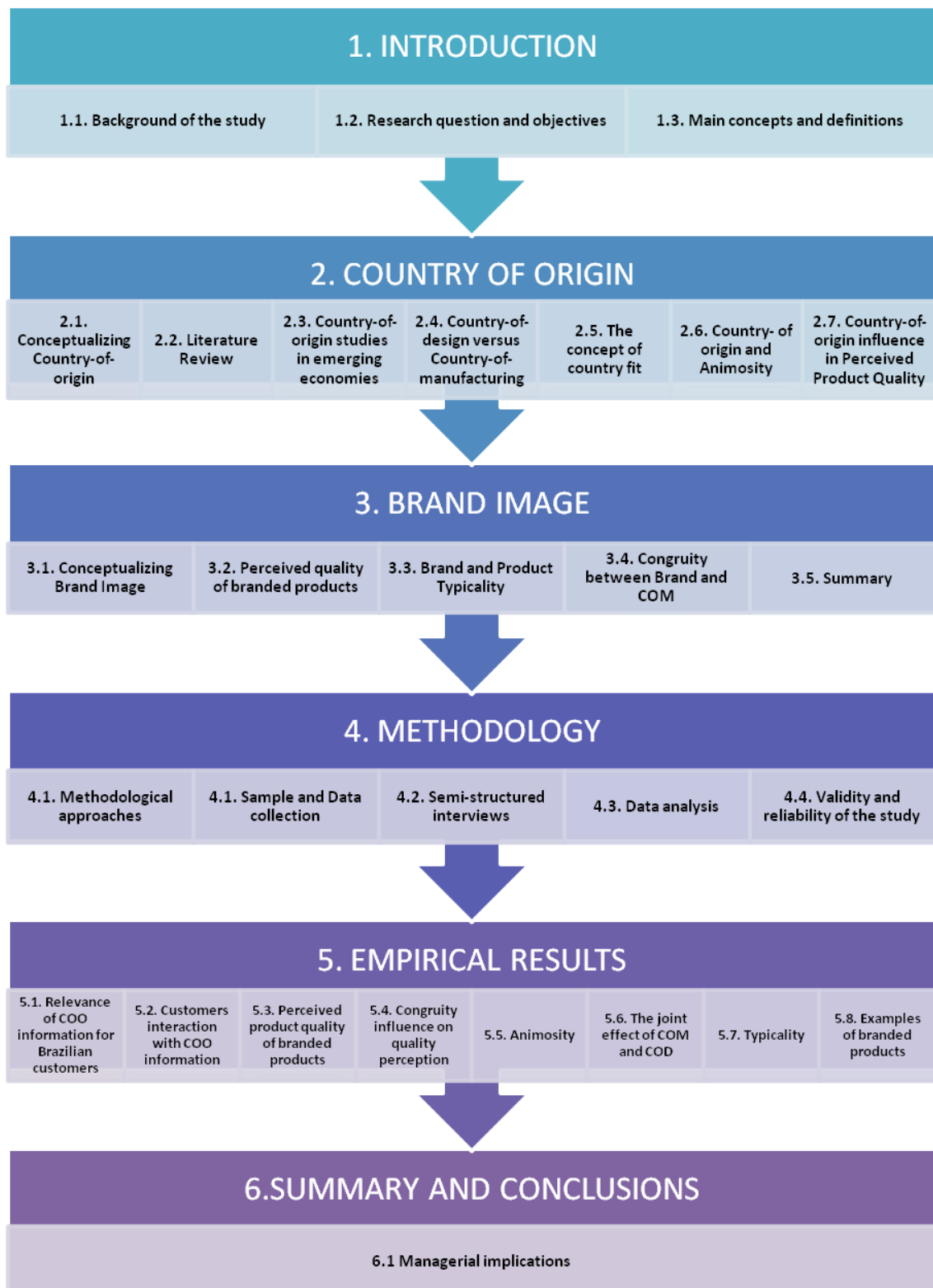


Figure 1- Structure of the study.

1.3. Main concepts and definitions

The main concepts utilized in this study are summarized below:

COUNTRY-OF-ORIGIN - is the country where a product comes from. The most common country-of-origin cue was reported to be 'Made in'; but some studies presented alternative terms as 'Manufactured in' and 'Produced in' (Saunders, 2010).

COO EFFECT - "(...) a specific marketing phenomenon, i. e. consumers (sub) consciously incorporating a COO stimulus (like for instance the "Made in" label) as an evaluative criterion in their formation of an attitude towards a product". (Bloemer, Brijs and Kasper, 2009:63).

COUNTRY-OF- DESIGN (COD) – "Country where the product is conceived (and generally the country with which the brand is associated)" (Essoussi & Merunka, 2007: 412).

COUNTRY-OF – MANUFACTURING (COM) - Is the "country in which the product is manufactured or assembled" (Essoussi & Merunka, 2007: 412).

BRAND - It is "a combination of attributes that gives a company, organization product, service concept, or even an individual, a distinctive identity and value relative to its competitors, its advocates, its stakeholders, and its customers. The attributes that make a brand are both tangible and intangible: a name, a visual logo or trademark, products, services, people, a personality, reputation, brand loyalty, mental associations, culture, and inherent values which, together, create a memorable, reassuring, and relevant brand image in the eye and mind of the beholder". (Doyle, 2012)

BRAND IMAGE - It is "the perception of the brand in the mind of consumers" (Doyle, 2012).

GLOBAL BRAND - "A brand well known internationally" (Tse & Gorn, 1993).

2. COUNTRY OF ORIGIN

This chapter aims to conceptualize COO and its constructs. First, some definitions and concepts related to COO studies are presented. Second, a literature review of COO studies focusing on emerging markets is provided, highlighting respective research gaps. Thirdly, the concepts of Country-of-design (COD) and country-of-manufacturing (COM) are briefly presented, discussed and contrasted. Then, the concepts of fit, animosity and congruity are explained. Finally, the idea of Perceived Product Quality (PPQ) is outlined. The topics discussed in this chapter create the theoretical background upon which the framework for this thesis is built. The framework is presented in the end of the next chapter.

2.1. Conceptualizing Country-of-origin

It is a challenging task to find a definition for country – of -origin (COO). The most common country-of-origin cue was reported to be ‘Made in’; but some studies presented alternative terms as ‘Manufactured in’ and ‘Produced in’ (Saunders, 2010). In a paper from 1970, addressing a comparison of Japanese and American attitudes toward foreign products, Nagashima presented that “Made in” image could be considered “the picture, the reputation, the stereotype that businessmen and consumers attach to products of a specific country” which can be based in representative products, national characteristics, economic and political background, as well as history and traditions. (Nagashima, 1970: 68).

Bloemer, Brijs and Kasper, 2009 attempted to define the term COO effect referring to “(...) a specific marketing phenomenon, i. e. consumers (sub) consciously incorporating a COO stimulus (like for instance the “Made in” label) as an evaluative criterion in their formation of an attitude towards a product”. (Bloemer, Brijs and Kasper, 2009:63).

Roth and Romeo (1992) criticized researchers that have suggested country image definitions regarding to consumers' general perceptions of quality for products made in a given country, as Bilkey and Nes (1982) or Han (1989). The authors claimed that from a marketing perspective, a definition for country image should be more specifically related to product perceptions and defined country image as "the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses" (Roth & Romeo, 1992: 478).

A further contribution to the literature was made by Papadopoulos (1993) when criticizing the concept of COO as being narrow and misleading. He argued that a product may be manufactured in one country but designed, assembled or branded in another, and therefore, a single place of origin may not be adequate anymore. This way, Papadopoulos presented the term "product-country image" which aimed to "account for the multidimensional character of the images of products/brands while recognizing the multiple places potentially involved in a global production system" (Dinnie, 2004: 10) and has been extensively applied for researchers in the last two decades.

In accordance, Fan (2006: 5) affirms that "although nation and country are used interchangeably in the literature, there is a subtle difference between nation brand/image and country brand/image". He classified the terms from literature in three categories: product related, national level and cultural focus (Table 1). Besides, for this author the term "country-of-origin effect" is closely related with the product", while "the concept of nation brand or country equity refers to the nation as a whole; it describes the country's intangible assets without any explicit links with a product" (Fan, 2006: 5).

Table 1 - Terms used in COO literature (Fan, 2006).

<i>Product related</i>	<i>National level</i>	<i>Cultural focus</i>
Country of origin	Nation/country brand	Country stereotype
Product-country image	Nation/country image	National identity
Made-in country image	Country equity	National characteristics
Country image effect	Country positioning	e.g. 'Britishness'

Finally, COO is indicated as an extrinsic/ non-physical cue, which can be manipulated as price, brand name or retailer reputation, without changes on product performance (Han & Terpstra, 1988; Pharr, 2005). For that, is possible to call the attention for the relevance of studies on COO, in terms of development of effective strategies for the best manipulation of COO information in labeling and packaging.

2.2. Literature Review

The relevance of COO as a cue in consumer evaluation was probably first highlighted by Schooler (1965, apud Josiassen, 2009). Focusing on COO effects in Central America, he found that customers evaluated products differently based on their country-of-origin. Then, almost twenty years later, Bilkey and Nes (1982) published a summarized country-of-origin research evaluating qualitatively the results of COO studies till that time. Their review reported a seemingly positive relationship between product evaluations and degree of economic development of the country based on studies presented till 1982.

Bilkey and Nes (1982) review suggested the need for development from a simple single cue studies (e.g. country-of-origin as the only information provided to the respondents to evaluate their perceptions) to multi-cues investigations. An interesting question raised by Bilkey and Nes (1982: 95) was “how the importance of COO cue can be reduced or compensated?” Their article can be considered of the most important in the field as it has been still mentioned in various recent studies.

In 2004, Dinnie developed another review considering research in COO since 1965. The author highlights three main periods for COO research that can be seen in Table 2.

During the period 1993-2004, Dinnie also emphasizes the growing importance of the service sector, which has been reflected in COO studies as well. One of the first papers discussing the effects of multinational products on brand value was presented by

Johansson and Nebenzahl in 1986, addressing the balance between the economic necessities of manufacturing abroad to potential loss in brand name value. Since then, multinational production and hybrid products became the focus of various studies in COO (Chao, 2001; Insch & McBride, 2004; Han & Terpstra, 1988).

Table 2- Three main periods for COO research. (Dinnie, 2004).

Period	Characteristics
<i>1965-1982</i>	Bilkey and Nes (1982) played a major role in summarizing 25 years of single cue studies in the area;
<i>1983-1992</i>	a period with a significant increase of volume in research regarding COO and Johansson, et al (1985) suggested that “other product cues may have a stronger effect on consumer product evaluations than country-of-origin information”;
<i>1993-2004</i>	Period characterized by different streams attempting to “reconceptualize” COO in terms of brand origin (Thakor & Kohli, 1996), product-country image (Papadopoulos & Heslop, 1993), and contextualized product-place image (Askegaard & Ger, 1998).

Researchers have decomposed the COO cue from an individual information, or from “the broad 'product made in' approach” (Insch & McBride, 2004) into “a multidimensional operationalization” , creating definitions as: Country-of Design (COD), Country-of- parts (COP), Country-of- assembly (COA), or Country-of-manufacturing (COM) (Pharr, 2005). These decompositions were found to affect significantly consumer’s perception of product quality (Insch & McBride, 1998; Chao, 2001;).

Klein et al. (1998) studies suggested the existence of national or cultural “animosity”, which in turn affects attitudes toward products from a specific country. The authors observed that hybrid products provide marketers greater flexibility, as they make possible to display the origins of the product attributes in different ways in order to

avoid this animosity effect. Moreover, COO effects were found to be stronger when potential customers are less familiar with foreign products (Han & Terpstra, 1988).

In the period from 1995-2005, it was reported significant structural changes in international markets, as the advent and rapid growth of WTO (World Trade Organization), increasing importance of trade economic blocs, implementation or changes in regulation for “country of origin” labeling and the emergence of the internet (Pharr, 2005). This influenced the country of origin research, and studies from this decade started to concentrate in a more globalized market with increasingly number of global brands.

Consequently, brand image became an important moderator for COO effects and several studies addressed this relationship. Specifically, it has been suggested that brand image or brand equity moderate the COO effects on product evaluation. This way, COO is argued to “operate through a brand -based construct rather than directly on product quality evaluation and purchase intentions” (Pharr, 2005:38). In the same perspective, Thakor and Lavack (2003) found that country-of-manufacture and country-of parts (or country-of components source) had no influence in product evaluation regarding quality perception when the country-of-brand (or country-of corporate ownership) is presented.

Some authors claim that country-of-origin has become one of the most researched topics in marketing and consumer behavior research (Pharr, 2005; Josiassen & Harzing, 2008). This has led to a strong belief that country-of-origin can truly influence (positively or negatively) the customers' evaluation of products (Bilkey & Nes, 1982; Han & Terpstra, 1988, Pharr, 2005). However, COO research has become very complex and several recent studies concentrated more in the importance of COO, arguing if it is still relevant (or not) to consider COO effects on customers perception, product evaluation and purchasing decision in a global environment (Pharr, 2005; Usunier, 2006; Josiassen & Harzing, 2008; Magnusson et al., 2011a; Samiee, 2011; Magnusson, et al., 2011b, Usunier, 2011). In general, this research field faces several conflicting

results which in turn provide little generalizable knowledge. Therefore, a need for continued research is evident (Dinnie, 2004; Insch & McBride, 2004).

The most recent review of COO literature is likely to be the one developed by Josiassen (2009). The paper discusses the arguments for a convergence of customer's needs (Levitt, 1983) and the idea that young consumers are no longer influenced by COO effects (Usunier, 2006, Wong et. al, 2008). A summary of the conceptual development of COO research adapted from Josiassen (2009) can be visualized in Table 3 and Figure 2 shows a summary of research regarding to COO adapted from Phau and Prendergast (2000).

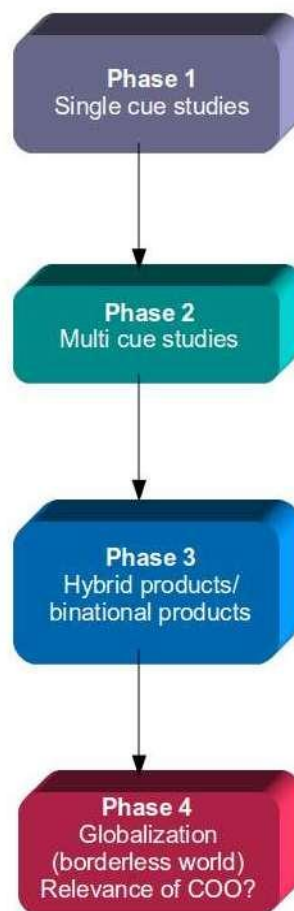


Figure 2- Evolution of Country-of-origin studies (Adapted from Phau & Prendergast, 2000).

Table 3 - Major Milestones in Country-of-Origin Research (Source: adapted from Josiassen, 2009).

Year	Author(s)	Key Contributions
1965	Robert Schooler	Initial article published in the field of COO
1970/77	Akira Nagashima	Development of the semantic differential scale
1982	Warren J. Bilkey and Erik Nes	The first literature review
1987	Shimp and Sharma	Construction of CETScale to measure consumer ethnocentrism
1990/92	C. Min Han et al. And Martin S. Roth and Jean B. Romeo	Focus on the interaction between products and origin images
1986	Attila Yaprak, Ravi Parameswaran and R. Mohan Pisharodi, Eugene D. Jaffe and Israel D. Nebenzahl	Identification and application of country-of-origin facets
1998/02	Jill Klein and co-authors	The introduction of the animosity construct
1980's	Laroche, Eroglu, Machleit, Josiassen, d'Astous, Chao, Phau and others.	Focus on contingency variables which explain previous variation in COO findings
1986	Johansson and Nebenzahl	The effects of multinational products on brand value

1988/2001/2004	Han & Terpstra, Chao, Insch & McBride	Decomposition of the COO cue from an individual information into “a multidimensional operationalization” creating definitions as: Country-of Design (COD), Country-of- parts (COP), Country-of- assembly (COA), or Country-of- manufacturing (COM).
2004	Dinnie	Literature review – defined 3 main periods on COO research.
2005	Pharr	COO operates through a brand -based construct rather than direct on product quality perception
2005	Pharr, Usunier, Josiassen & Harzing, Magnusson et al., Samiee, Magnusson, Wong et. al.	Discussion on the relevance of COO effects on customers perception, product evaluation and purchasing decision in a global environment, as young consumers might be no longer influenced by COO effects.
2009	Josiassen	The most recent review of COO literature.
2010	Chowdhury	Defines 3 types of studies on COO.

Finally, according to Chowdhury (2010), there are three types of studies on COO: (1) studies dealing with consumers' perceptions about various countries; (2) studies examining the impact of country image on consumers' product evaluations and purchases; and, (3) studies investigating partitioned COO on consumers' product evaluations. This study will focus in the third type of research, analyzing the partitioned COO effect on young Brazilian consumers' point of view.

2.3. Country-of-origin studies in emerging economies

Despite the fact that 80% of the world's consumers population are concentrated in emerging markets (Steenkamp & Burgees, 2002), overall, the studies that have been found regarding to country-of-origin effects were highly concentrated in developed markets (Dinnie, 2004; Ahmed & d'Astous, 1999) such as the United States (cf. Nes & Bilkey 1993; Chao, 2001; Han & Tepstra, 1988; Fetscherin & Toncar, 2010; Nagashima 1970; Saunders, 2010), Canada (Hung, 1989), France (Baumgartner & Jolibert 1977), the United Kingdom (Hooley, Shipley, and Krieger 1988; Demirbag, Sahadev and Mellahi, 2009), and Japan (Nagashima, 1977; Nagashima 1970; Koubaa, 2008). In fact, it has been claimed that “86 per cent of all marketing research is conducted in Europe, Japan and the US” (Craig & Douglas, 2005: 451).

In emerging markets, research founded have been focused in China (Klein, Ettenson, and Morris 1998; Ahmed & d'Astous, 1999; Ahmed & D'Astous, 2004), Russia, Poland, and Hungary (Ettenson, 1993), Malaysia and Papua New Guinea (Saffu & Scott, 2009), Bangladesh (Chowdhury, 2010) Tunisia (Essoussi & Merunka, 2007), Singapore (Ahmed et al., 2004), Nigeria (Agbonifoh & Elimimian, 1999) and Georgia (Apil & Erdener, 2010).

Findings from Russia, Poland, and Hungary suggest, contrary to what was observed in most of developed countries, a preference for branded imported products in comparison

to domestic products (Ettenson, 1993). Interestingly, most of the researchers on COO effects for emerging markets concentrate in one or two countries, but tend to generalize their conclusions to “emerging markets” or “developing countries” (e.g. Agbonifoh & Elimimian, 1999; Essoussi & Merunka (2007). However, it might be that few or even none of the findings for “emerging markets” may be generalized and suitable for the Brazilian Market, considering cultural and geographical distance and natural differences from one country to another. For that, the processes by which consumers perceive and evaluate COO cues in Brazil should be closer analyzed. In addition, Essoussi and Merunka (2007:411) indicated that the few studies conducted in emerging countries were mainly concerned to the “‘foreignness’ and individual variables (e.g. ethnocentrism) and failed to address COO decomposition into COD and COM”.

Nevertheless, these same authors found that a country can influence PPQ through overall country image and its perceived ability to design or manufacture a specific product category. They called it “country/product fit”. Essoussi and Merunka (2007) concluded that consumers in developing markets (e. g Tunisia) are more influenced by the image of the COM in global terms than by the overall COD image on perceived product quality. However, stronger COO effects can be observed for luxury products (in this case, cars) than for low involvement items (televisions).

A cross-national survey with Chinese and Canadians supported that consumers consider as more relevant the information about COD and COM than brand names for low involvement product evaluations. (Ahmed & d'Astous, 1999). On the other hand, Phau and Prendergast (2000) have suggested that a well known brand name can compensate for a negative COO cue. In such circumstances, it can be argued that emerging markets might challenge some assumptions that has been done regarding to COO effects.

During the last ten years, only 22 studies about Latin America were published in recognized academic journals in the marketing field (Fastoso & Whitelock, 2011). Only one study on COO was found up to date regarding to Brazilian customers. Presented by Giraldi, Ikeda and Campomar (2011), it can be considered the first attempt in analyzing

Brazilian customers' behavior toward COO effect. The research suggests that, in general, Brazilians perceive people who buy home appliances "Made in China" as stupid, not knowledgeable about the product, with low purchasing power, and believe that they were probably misled into buying these products, causing future dissatisfaction with the purchase (Giraldi, et al, 2011: 105).

These findings are relevant to the analysis of COO effects in the Brazilian market, as it seems products from another emerging economy are considered as low quality items. Therefore, it is possible to assume that the COM being an emerging country influence negatively in the evaluation of a brand with a developed COD.

2.4. Country-of-design versus Country-of-manufacturing

The major part of the studies on the field considered COO as the country where the product was manufactured. However, Phau and Prendergast (2000) conceptualized the *country of origin of brand* as an alternative evaluation tool. Later, the effects of individual product-origin facets (e. g. country-of-manufacture, country-of-design, country of assembling and country-of-parts) on hybrid product evaluations were highlighted by Chao (1993; 2001) and Insch and McBride (1998, 2004).

Customers are subject to create conflicting views and, consequently suffer a dissonance on their perceptions about COO information due to the increasingly existence of bi-national products (Phau & Prendergast, 2000). This dissonance might occur, most commonly, in products that carry one information for Country-of-design and another for Country-of-manufacturing. In some cases, bi-national products can blur the country of manufacturing as well as brand name, where clear distinctions cannot be made between the country-of-origin of a product or brand (Ettenson, 1993). The literature of COO illustrates that in general a change on the manufacturing location, and, consequently,

COM information, can affect negatively BI and PPQ on customers mind (Thakor & Katsanis, 1997; Han & Terpstra, 1988).

This study will utilize the definition of Bloemer, Brijs and Kasper (2009: 63) for COO effect presented as: “(...) a specific marketing phenomenon, i. e. consumers (sub) consciously incorporating a COO stimulus (like for instance the “Made in” label) as an evaluative criterion in their formation of an attitude towards a product”. Even though studies regarding to country-of-origin effects seems to be highly influenced by the term product-country image (PCI) introduced by Papadopoulos (1993), for this study the different individual facets (COM and COD) seem to be more suitable for to establish comparisons of the individual and joint effect of country-of-origin of manufacture and country-of-origin of brand.

This way, two dimensions of COO will be considered: COD - which according to Essoussi and Merunka (2007: 412) represents the “country where the product is conceived (and generally the country with which the brand is associated)”, and COM, identified as the “country in which the product is manufactured or assembled” (Essoussi & Merunka, 2007: 412).

2.5. The concept of country fit

When a country is associated to a specific product category by the customers, it can be said there is *fit*. When this logic association of a product category is established by the customers regarding to a specific country (for example, the product category of whiskies is associated to Scotland and, for that establishing a relationship of fit) a positive effect on perceived product quality is observed (Essoussi & Merunka, 2007). In this sense, a fit between the COD and the product translate the assumed ability of a country on designing a product. ”Fit is determined by the adequacy, or perceived consistency, between the perceived competencies of the COD (which reflect

associations of the overall country image) and important product characteristics” (Essoussi & Merunka, 2007: 412). This concept could be illustrated by the paper from Magnusson, Westjohn and Zdravkovic (2011a) entitled “What? I thought Samsung was Japanese” where the authors discuss the relevance of perceived COO.

In the same perspective, Essoussi and Merunka (2007) add that the adequacy between COM and a product is demonstrated when the consumer was already expecting or could imagine, the product to be manufactured in that country. In this case, the adequacy between the perceived competencies of the COM and the product characteristics perceived as relevant by the customers will determine the existence of the fit. For example, China might be expected to show a weak COD image/product fit, however, a strong COM image/product fit is likely to be observed for clothing or toy industries.

In addition, the standardization of production techniques expands the range of countries considered capable to manufacture different goods. Nevertheless, Essoussi and Merunka (2007: 412) noted that a country can be perceived as able to manufacture a product but unable to design it - or vice-versa, as the essential factors for product design may differ from those identified as paramount in manufacturing.

2.6. Country- of origin and Animosity

The idea that consumers may hold certain antipathy toward a country which can make them withdraw from buying imported products from this specific country, was firstly presented by Klein, Ettenson and Morris (1998) who called it *animosity*. They defined it as “the remnants of antipathy related to previous or ongoing military, political, or economic events that will affect consumers' purchase behavior in the international market- place” (Klein, Ettenson and Morris 1998: 90). This way, customers choose not to buy products from a nation for reasons not concerning the product quality, but based on previous military, political, or economic acts that offended or influenced negatively

this customer perception about the exporter country. The authors demonstrated empirical evidence of the existence of *animosity* between numerous Chinese consumers who still showed animosity feelings toward Japan, and Japanese goods, because of the Nanjing massacre during the Japanese War in the II World War.

Hoffmann, Mai, and Smirnova (2011) examine animosity in a broader view. They called the attention to the necessity of multinational companies to be aware of the existence of a potential antipathy toward the COO or the COM of their products when expanding its activities to a new market. In order to achieve better results, managers should be able to downplay the effect of this cross-national hostility. For that, these authors developed a threefold conceptualization, which includes: universal drivers, embeddedness and consequences of *animosity*. Despite the recognition that some constructs of *animosity* are context-specific, Hoffmann, Mai, and Smirnova (2011) believe that there are universal drivers which enable a cross-national measurement and comparison of different levels of animosity. These drivers are:

Perceived threat: This driver comprehend different types of animosity that on the mind of the customer were perceived as a threat committed by the target country against his or her homeland. The nature of these threats can be military, political, economic, as well as cultural, and specially, are the same causes of animosity presented in the first study by Klein, Ettenson, and Morris (1998).

Antithetical political attitudes: This driver is related to potential contradictions between (foreign or domestic) policies of the country in question and customers' political or ethical principles. Bahae and Pisani (2009) have already demonstrated that consumers can express disagreement of the government's policies through the boycott toward products from a country in a study with Iranians attitudes toward American products. Besides, cases regarding to boycott toward typical American companies as McDonalds and Coca-cola. A study by Ettenson and Klein (2005) with Australian consumers showed animosity, and consequently, boycott toward France resulted by nuclear weapons tests in the South Pacific conducted by the French government.

Negative personal experiences: This driver originates from unfavorable experiences shared with people from the target country. Despite the fact that the original study published by Klein, Ettenson, and Morris (1998) failed to address this relevant driver of animosity, many researchers emphasized the potential influence of personal animosity in their studies (Ang et al. 2004; Jung et al. 2002; Riefler & Diamantopoulos 2007).

Then, Hoffmann, Mai, and Smirnova (2011) also considered the influence of *ethnocentrism* (e.g. a nonspecific preference for domestic products that is accompanied by a general devaluation of all other countries (Klein, 2002)), patriotism and cosmopolitanism on General animosity. Finally, the consequences could be related to country-of origin image effects, boycott or purchase intentions.

Although many scholars have already stressed the idea of a borderless world, the idea of nationalism is much stronger in some countries than the so called internationalism (Carvalho, 2002). In a study with Brazilian customers, Carvalho (2002) found that the existence of an international commercial conflict caused nationalistic feelings.

Giraldi, Ikeda e Campomar (2011) found a certain kind of animosity, which they called "*negative assessment of China image*" or a "*negative bias*" that Brazilian customers have with respect to Chinese home appliance products. People who buy from China was considered stupid, poor, not knowledgeable and potentially being misled. This antipathy, however, was not analyzed on its relationship with previous or ongoing military, political, or economic events that could affect consumers' purchase behavior. But, might be that China image among Brazilian customers is influenced by *perceived economical threat* - based on China's fast economic growth and its high levels of manufacturing at low costs; *Antithetical political attitudes* – mainly related to unfair economic competition; and/or *Negative personal experiences* related to people or even products eventually purchased before which could have been perceived as low quality items.

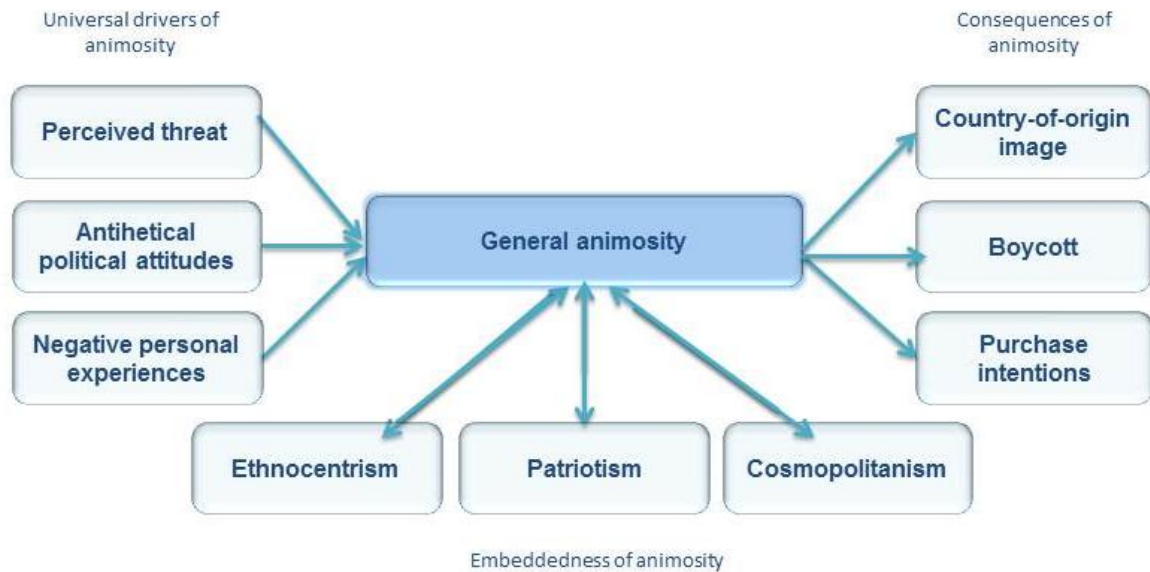


Figure 3- Overview of the Threefold Conceptualization (Hoffmann, Mai and Smirnova, 2011).

It must be acknowledged that *animosity* may occur toward the COM as well as toward the COD of a product/brand, however, it was not found up to date research on this topic, which analyzed the effect of animosity regarding to partitioned constructions of COO.

2.7. Country-of-origin influence in Perceived Product Quality

Many prior studies supported the idea that partitioned COO influence PPQ (Chowdhury, 2010; Chao, 1993; Insch and McBride, 2004; Pharr, 2005). Customers perceive product quality as a general superiority of a product or service considering its purpose and in comparison to its alternatives (Aaker, 1991; Zeithaml, 1988).

Zeithaml (1988) claims that:

Quality can be defined broadly as superiority or excellence. By extension, perceived quality can be de-fined as the consumer's judgment about a product's overall excellence

or superiority.' Perceived quality is (1) different from objective or actual quality. (2) a higher level abstraction rather than a specific attribute of a product. (3) a global assessment that in some cases resembles attitude, and (4) a judgment usually made within a consumer's evoked set. (Zeithaml, 1988)

This way, the concept of PPQ is subjective to customers' interpretation of quality and might be differentiated from other more concrete related concepts of quality. Aaker (1991) specified the definition of the following related concepts:

- *Actual or objective quality* - the extent to which a product delivers superior service;
- *Product-based quality* - the nature and quantity of ingredients, features, or services included in a product;
- *Manufacturing quality*—conformance to specification, the “zero defect” goal.

The term "*Objective quality*" is traditionally indicated in the literature as technical superiority or excellence of the products, making reference to measurable and verifiable superiority according to predetermined ideal standards (Zeithaml, 1988). Nevertheless, some researchers (e.g. Maynes 1976) supported the non existence of an objective quality, due to the fact that quality evaluations can all be viewed as a subjective analysis.

As consumers present different personalities, needs, and preferences, a product or service might simply be judged by a different set of criteria depending on personal characteristics or dispositions (Aaker, 1991). Thus, buyers are also likely to vary on their perceptions of quality of products from different countries and for different categories of products from each country (Pappu & Quester, 2010). In order to indicate the level of quality delivered by a product, customers often base their opinion on some specific features (e.g. size may indicate quality in stereo speakers, design may indicate quality in cars or clothes; percentage of fruit may indicate quality in juices).

This way, each product category might have one or more specific attributes which

customers choose and utilize as reliable signal(s) of product quality (Zeithaml, 1988). In this perspective, the concept of *User-based quality* is related to the idea that quality is determined by customer expectation, which in turn, is based on different quality standards or how well the product performs its expected function for each user (Zhang, 2001).

On the other hand, the concept of *Value-based quality* is linked to customers value perception. This view analyzes product quality in a range of competing products, evaluating which one can bring more benefits to the buyer at a lower price (Zhang, 2001). It can be argued that the customer develops a cost versus benefit thought in order to decide about the value-based quality of a product.

Chao (1993) found that price, COD and COM influence evaluations of product quality by customers. Analyzing the relationship between price and quality, he suggested that highly priced products are also perceived as high design quality items. However, Zeithaml (1988) indicated that consumers depend more on price as a quality signal in some product categories than in others.

Furthermore, Zeithaml (1988) argues that the concepts of value and quality are usually misunderstood because of its similarities and presents a means-end model to differentiate, but also to show the relationships between price, quality and value. His model (Figure 4) support that consumers use lower level attribute cues (e.g. extrinsic cues – which are product-related but not part of the product itself, like brand name or country of-origin - and objective price) to infer quality.

Garvin (1987) argues that product quality can be analyzed in eight dimensions: performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality (i.e., image).

- *Performance* - a product's primary operating characteristic, such as acceleration, braking distance, steering, and handling of an automobile.

- *Features* - the additional of a product, such as power option and a tape or CD deck of a car.
- *Reliability* - the probability of a product's surviving over a specified period of time under stated conditions of use.
- *Conformance* - the degree to which physical and performance characteristics of a product match pre-established standards.
- *Durability* - the amount of use one gets from a product before it physically deteriorates or until replacement is preferable.
- *Serviceability* - the speed, courtesy, and competence of repair.
- *Aesthetics* - how a product looks, feels, sounds, tastes, or smells.
- *Perceived quality* - the subjective assessment of quality resulting from image, advertising, or brand names.

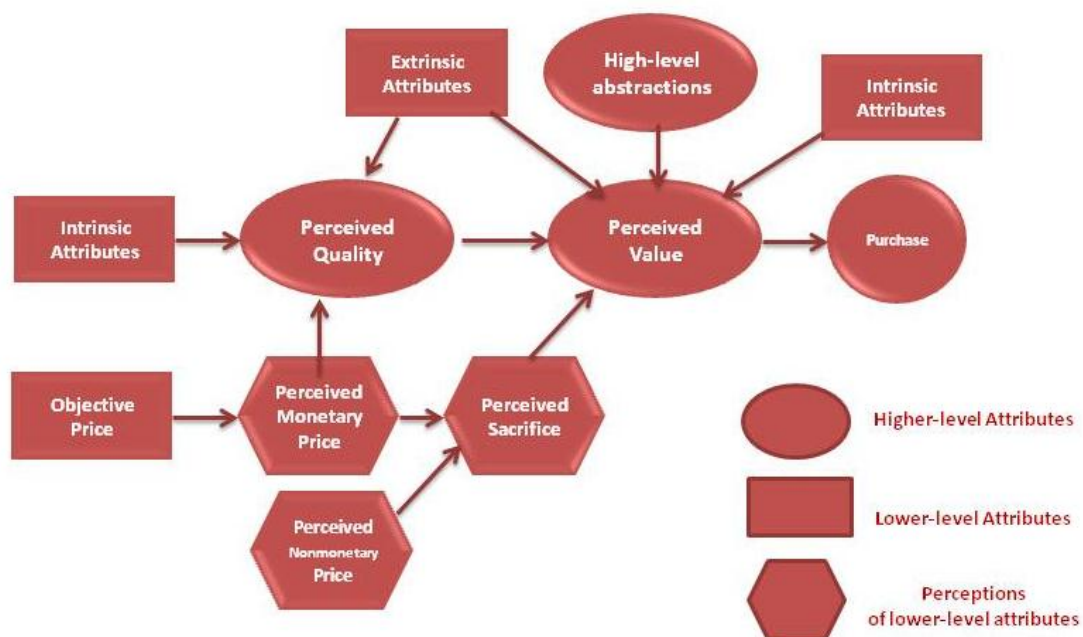


Figure 4- Model of Perceived quality and perceived value (Zeithaml, 1988).

The image customers have about the country where a product is manufactured may influence his perception of product quality (Zain & Yasin, 1997; Chao, 2001; Insch & McBride, 1998). This way, consumer's knowledge about the country's reputation as a

manufacturer can be used to predict product quality. In addition, previous studies showed a relationship between consumers' perceptions of product quality and the level of economic development of a product's COO (Bilkey & Nes, 1982; Demirbag, Sahadev and Mellahi, 2010). Many scholars found products manufactured in developing countries to have a less positive image than products from developed countries (Bilkey & Nes, 1982; Han & Terpstra, 1988; Cordell, 1992). Products from developing countries were ranked as lower quality for branded and non-branded items (Gaedeke, 1973).

Haubl and Elrod (1999) reported an ample evidence in the literature of COO that a product's COM, usually presented on product labels as the "made in" information, represents product quality, even alongside other attributes. Furthermore, customers usually assess quality in a comparison context (Zeithaml, 1988) which may be relevant to this study when comparing the expected COM with the real COM of a product, in line with the ideas discussed about congruity - creating incongruity and consequently, a low quality perception.

Ahmed and Astus (1996) study showed that COD and COM have a greater influence than brand image in products quality evaluation by Canadian customers for some goods like automobiles, shoes and video-cameras. They suggested to global brands from developed countries interested in manufacturing in less developed nations focusing on BI and, specially, COD, in order to counter a possible negative effect based on the reputation of the COM.

Zain and Yasin (1997) called the attention to the fact that consumers' product evaluations may also depend on their familiarity with the item to be purchased. As global brands benefit from high familiarity, based on customers previous experience and/or strong marketing communication, the impact that COO information may be reduced on product evaluation. Furthermore, when consumers present low familiarity with a product, they tend to make use of its country image as a "halo" in assessing product quality (Erickson et al., 1984; Han, 1989; Cordell, 1992). Although, the high

familiarity with a product produce a situation where its country image serve as summary construct (Zain & Yasin, 1997).

The figure below presents a summary of the chapter. Based on the ideas presented and discussed above, it can be assumed that animosity and country fit might influence both COM image and COD image. Consequently, these factors may act as mediators of COO effects - composed by COD and COM- on perceived product quality. This way, animosity and country fit should be considered as relevant constructs of COO effects and must be included in the theoretical framework of the study.

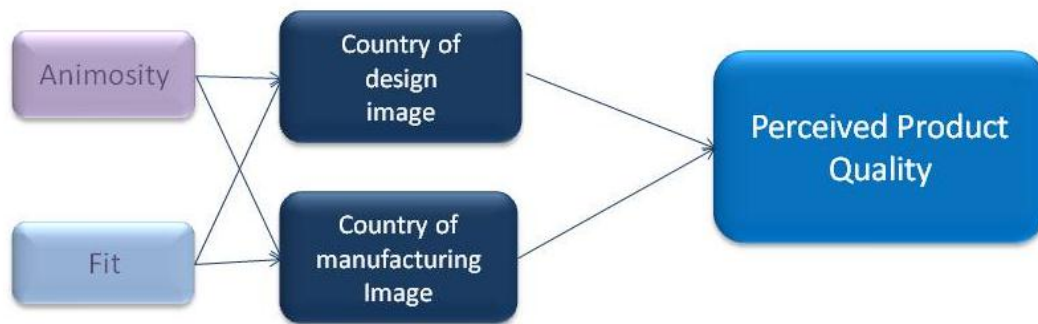


Figure 5 – Summary of the chapter 2: COO factors influencing perceived product quality.

3. BRAND IMAGE

In order to develop a better understanding of country of origin effects on brand image, theory regarding the latter must be discussed. This chapter focuses on this need and presents the relationship between brand image and COO, followed by the constructs of typicality of brand, perceived quality of branded products and congruity. These variables are described and previous research is analyzed for a comprehensive view regarding to elements which consumer may take into consideration when evaluating a hybrid branded product.

3.1. Conceptualizing Brand Image

A brand can be seen as a guarantee that a product bears uniform, unique or superior quality (Motameni & Shahrokhi, 1998). Keller (2000: 157) calls the attention to the fact that "ultimately, the power of a brand lies in the minds of consumers or customers". According to Murphy (1990) brand is a complex phenomenon:

“Not only it is the actual product, but it is also the unique property of a specific owner and has been developed over time so as to embrace a set of values and attributes – both tangible and intangible – which meaningfully and appropriately differentiate products which are otherwise very similar.”

It is generally accepted, regarding to marketing effects, that a product without a brand name will not have the same outcomes resulting from marketing and communication efforts that would benefit a branded product. Many scholars identified and supported the relevance of brand image in the international marketing literature (Aaker, 1991; Keller, 1993; Motameni & Shahrokhi, 1998; Kotler & Gertner, 2002; Koubaa, 2007). As stated by Keller (1993:2). “*Brand image* refers to the set of associations linked to the brand that consumers hold in memory”.

Brand image generates value for customers because it can help to differentiate products and brands in the purchasing process. This way, brands work as signals about the origin of the product, creating barriers to counteract competitors trying to provide similar products and protecting customers from being misled (Aaker, 1991: 12). In a global perspective, a brand can offer even a broader effect to customers and producers.

A global brand can have some important associations. Just the concept of being global can symbolize the ability to generate competitive products in addition to strength and staying power. Such an image can be particularly important in pricey industrial products or consumer durables like cars or computers where there are customer risks that a product may be unreliable or be technologically surpassed by a competitor. (Aaker, 1991:112)

Moreover, certain characteristics assigned notably to global brands are utilized by customers as criteria for purchase decisions in comparison to domestic brands (Holt et al., 2004: 70). Global brands carry status and prestige and offer greater value than a brand restricted to local or regional levels (Motameni & Shahrokhi, 1998; Holt et al., 2004). The omnipresence of global brands as powerful institutions can position them in consumers' mind as capable of doing great good, but also the political power of global brands with very high revenues can have a negative impact on purchasing choices (Holt et al., 2004).

Han (1989) suggested that an internationally well-established brand name can act as a “halo” construct affecting product quality perception. According to Steenkamp, Batra, and Alden (2003) global brands are usually associated with high quality standards. Consequently, brands with a greater degree of perceived globalness benefit from higher perceptions of quality. These authors proposed the term “perceived brand globalness” (PBG) to characterize international recognition and reputation of brands which can benefit from global image.

Bauer, Exler and Bronk (2007) extended the PBG-concept to include the perceived similarity of a brand across countries. They propose it based on the idea that costumers evaluate a global brand regarding to its broad international availability, recognition and standardization. Thus, from the consumers point of view in order to achieve international acceptance a global brand must perform excellent quality standards. Findings of their study suggests that PBG influence positively Perceived brand quality- PBQ and Perceived brand prestige- PBP. Furthermore, PBQ appear to be a stronger mediator than PBP. In addition, their results suggest that Consumer Ethnocentrism acts as moderator between PBG and PBQ – PBP, which means as much Ethnocentric the customers as weaker the relationships between these variables.

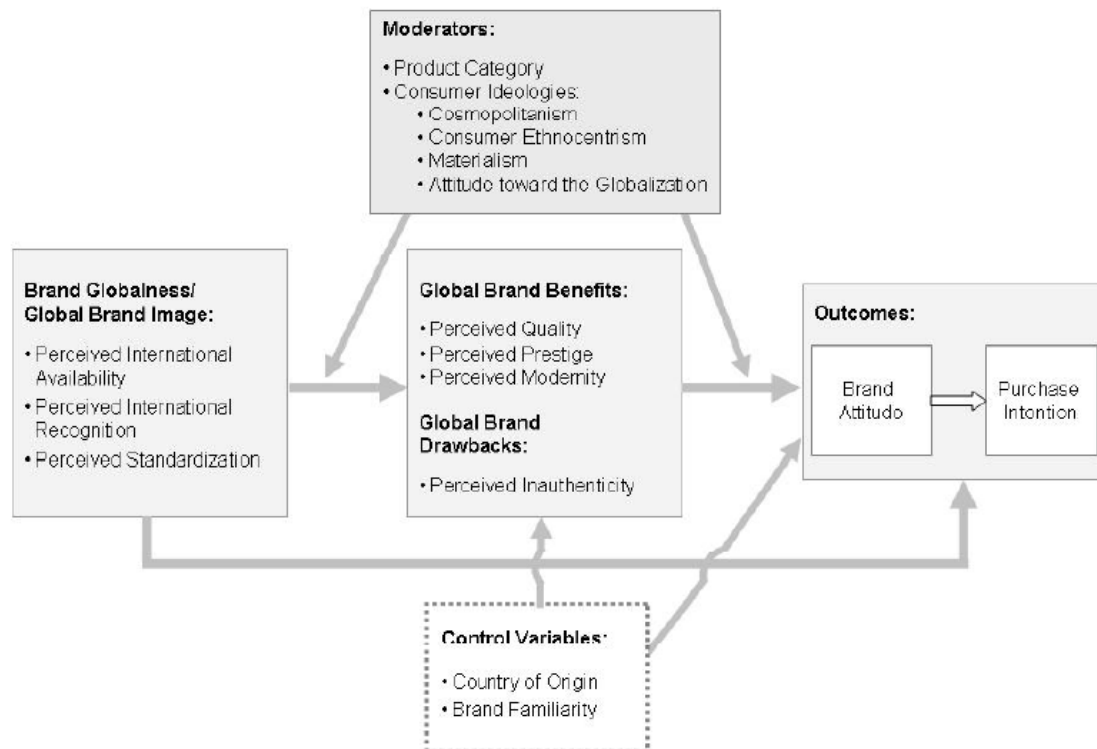


Figure 6 – Conceptual model of global brands (Bauer, Exler and Bronk , 2007).

Brand image is composed by several brand associations, which, in turn are “the category of brand’s assets and liabilities that include anything “linked” in memory to a

brand” (Aaker, 1991). Country associations to brand image must be acknowledged by marketing managers attempting to develop global branding strategies. Country is one of the associations of brand that can be exploited by global brands from countries perceived as a strong symbol, holding positive connections with products, materials, and capabilities. Italy, for example, has a strong positive image associated with shoes and leather goods. Italian brands in this segment can benefit from country associations, while a German brand in the same segment will most probably not be able to exploit the same association. In some cases, the country itself can become part of the essence of a brand (Aaker, 1991:56).

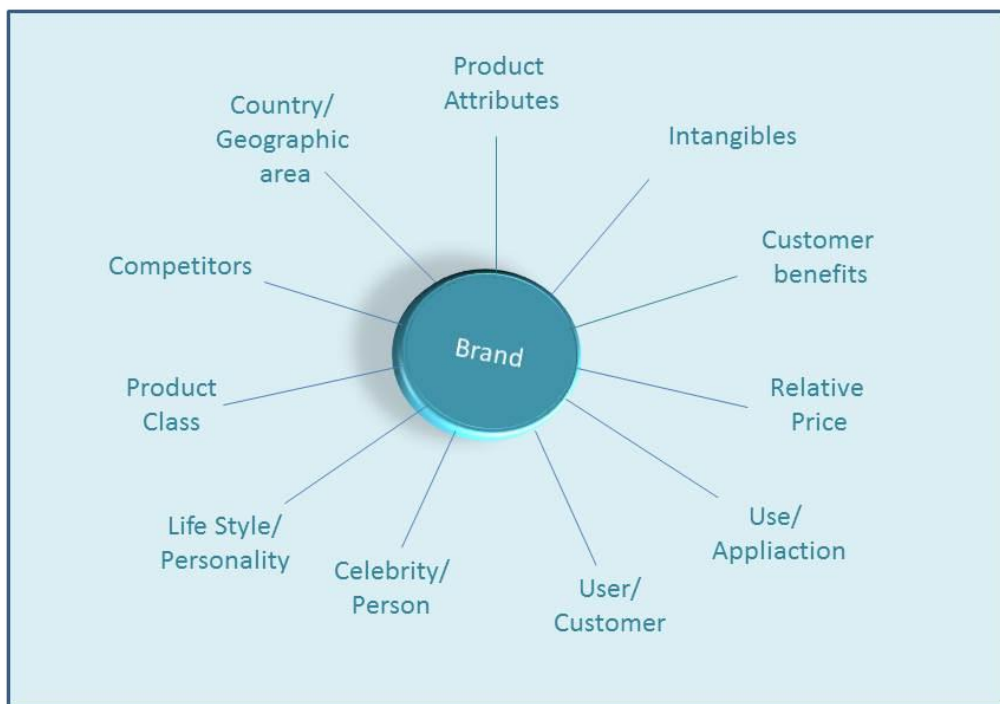


Figure 7 - Brand associations. (Aaker, 1991).

Holt, Quelch and Taylor (2004) presented a relevant study about how global brands compete where they also evaluated why consumers choose global brands. A Thai respondent of their study said “Global brands are expensive, but the price is reasonable when you think of the quality. The authors reported a significant shift in consumer's

perceptions of quality, as they believe before was much more attached to COO and currently has been focusing more in level of global presence. They found that COO associations are still important, “but only one-third as strong as the perceptions driven by a brand's 'globalness'” (Holt et al., 2004: 71).

Another interesting finding of Holt et al. (2004) suggests that the drivers of global brands choices – which are: quality signal, social responsibility and global myth – seems to have less impact on consumers from Brazil and India. They explain these results may correspond to factors as vestiges of anti-colonial cultures, strength of local manufacturers, and growing nationalism in those countries.

3.2. Perceived quality of branded products

A successful global brand requires special efforts for maintenance of its power. Holt et al. (2004) calls the attention to the fact that perceived quality, among other factors, is necessary for creating and maintaining brand image. As the brand may function as a signal of product quality and the brand image dimensions are indicated to affect consumer perceptions and decisions, the weight of the brand itself has to be considered on the overall evaluation of a branded product (Essoussi & Merunka, 2007). Han (1989: 223) suggests that “information chunking may evolve around a brand”. Besides, he claims that the brand name may act as a more powerful summary construct than the COO cue.

Previous research has also indicated that the presence of a strong brand name may counteract the negative effect of shifting production to an unfavorable country, such as a developing nation (Johansson & Nebenzahl, 1986). Various researchers identify perceived quality as a dimension of brand equity (Zeithaml, 1988). In a brand-based perspective, Aaker (1991) conceptualize that:

Perceived quality is an intangible, overall feeling about a brand. However, it usually will be based on underlying dimensions which include characteristics of the products to

which the brand is attached such as reliability and performance. To understand perceived quality, the identification and measurement of the underlying dimensions will be useful, but the perceived quality itself is a summary, global construct (Aaker, 1991).

Aaker (1996) claims that perceived quality has a direct influence on purchasing decision and brand loyalty. Customers should be more inclined to buy products perceived as good quality items as well as be loyal to brands they already experienced the quality and evaluated as worth to buy again. High quality perception may also support a premium price. As it affects brand image and market value, consequently allows the implementation of premium price strategies by companies (Aaker, 1996).

Studies on the relationship between quality and price has shown that the latter is more likely to be utilized as a quality indicator when brands are unfamiliar in comparison to situations where customers are familiar to brands (Zeithaml, 1988). It can be observed that one of the main differences between branded and non-branded products is the presence of familiarity, which is likely to appear in relationship to branded products. Familiarity with a brand name can also affect consumers' perceptions of product quality (Zain & Yasin, 1997).

Lee and Ganesh (1999) identified and tested three different types of familiarity: product, country and brand. Their findings showed customers utilize more COO information in case of high or low familiarity to products or brands. In other words, when presenting an average familiarity, the COO cue seems to be less useful in elaborating personal judgments about products. Nevertheless, when familiar to COO in a low level consumers appear to rely more on country-of-origin information for to make inferences about a product. However, this results can be considered a contradiction in the sense that a customer may have difficulties to utilize COO information to evaluate a product if not familiar and hence, not well-informed.

Perceived quality can be described as the “core point of reason to buy” (Aaker, 1996: 19) as customers might consider this variable the main motivational cue to decide on purchasing products. Obviously, there might be other reasons to buy depending on each situation. For instance, there may be cases when the buyer is looking for price and disposable items.

Notwithstanding, most of the time buyers look for quality in order to have the best long-lasting product, for a suitable and acceptable price. This way, perceived quality helps customers to build a range of options to consider when deciding which brand to buy, excluding brands perceived as low quality choices. In addition, the perceived quality also reflects an image of each product/brand that will become part of the brand. The functional benefits of products and brands are closely connected to perceived quality and for that, the brand image will improve as the quality perception increases (Aaker, 1996).

Despite the fact that perceived quality is subjective, as already discussed, the overall sensation a customer holds towards a brand often comes from more tangible dimensions such as reliability and performance (Garvin, 1987; Aaker, 1991). Thus, a product showing a performance over customers' expectation may produce feelings of higher perceived quality. On the other hand, low performance can occasion low quality perception. However, Keller (2008) calls the attention to the possibility that constant product and processes innovation inside companies aiming to compete in complex markets sustain greater and greater customers' expectation. Hence, creating an environment where is increasingly challenging for brands to achieve quality satisfaction from the customers point of view (Keller, 2008).

Park et al. (1991) describes function-oriented brands and prestige-oriented brands as two of the most common brand concept categories. A function-oriented brand concentrate on characteristics related to product performance, as for example: reliability and durability. On the other hand, a prestige-oriented brand regards images of luxury and status (Park et al., 1991). It might be expected that function-oriented and prestige-

oriented brands might be differently affected by COO. As “the core brand image for a prestige-oriented brand is based on status and high quality” (Kim & Lavack, 1996: 25) these type of brands might affect perceived quality of branded products in a stronger level. At the same time these kind of brands might be affected in a different way by COM and COD.

Conversely to the typical notion that the power of a recognized global brand will counteract the COO effect and to the findings of Johansson and Nebenzahl (1986), Tse and Gorn (1993) study reported COO cue to be a more enduring factor in consumer product evaluation than brand name. In this perspective, Ahmed and d'Astous (1996) also found that country-of-design and country-of-assembly have a stronger impact than brand name on quality evaluation of cars. Findings of other studies indicate that consumers tend to use brand name as a basis for making inferences about product quality (e.g., Jacoby et al., 1971; Dodds et al., 1991.) Facing this inconsistency, Tse and Gorn acknowledged that “the effect of COO may have become more complicated in the era of globalization” (1993:58).

Pharr (2005) argues that COO perceptions operate through a brand-based construct instead of direct influence on product quality evaluation and purchase intention, which suggests that COO effect can be moderated by brand image. Other studies supported the idea that consumers tend to use brand name (Haubl & Elrod, 1999) and brand origin association (Thakor & Lavack, 2003) as a basis for assessment about product quality. Hence, the Usunier (2006) idea that young consumers might be no longer influenced by COO effects in an era of global brands seems to illustrate a trend.

3.3. Brand and Product Typicality

The concept of typicality is argued to be related to the perception of categorization of a representative of a group (which may be referred for the context of this study as a product or brand as well) as “typical representative” or an accurate representation of the group it comes from (Lewin & Grabbe, 1945; Rothbart et al., 1996; Aboulnasr, 2006). This

group can be its country-of-origin. According to Loken and Ward (1990):

“The typicality of a brand or product type should be related to the probability of its inclusion in the consumer's evoked set, to the likelihood of its classification into a target category, to its choice as a standard of comparison, and to its evaluation.”

Thus, in line with Loken and Ward (1990), Tseng and Balabanis (2011) suggest that the concept of product typicality is category-based. This way, typicality can be measured as the degree to which a product or brand is perceived to represent a category (Loken & Ward, 1990). Mervis and Rosch (1981) showed that more typical instances of a category tend to be:

- named first in free recall of category instances;
- classified faster than less typical instances;
- classified with fewer errors;
- learned more rapidly as a category member;
- used as cognitive reference points in comparisons (more typical members tend to be "standards of comparison" for less typical members).

It has been argued that certain product categories, as for example: cars, software, food, and perfume, are strongly related to their COO whereas other kind of products as tools or detergents do not hold the same identification with a specific country (Kotler & Gertner, 2002; Tseng & Balabanis, 2011). As a substantial variation in the way products/brands are associated with their COO has been already emphasized by several researchers (Bilkey & Nes, 1982; Giraldi et al., 2011), Tseng and Balabanis (2011) used the concept of typicality to explain country-specific and product-specific variation on COO effects across product categories. They suggested a shift from a *product-specific manner* to a *category- manner* of analysing COO effects in order to facilitate the task of researchers and marketing managers in evaluating consumers perceptions of COO for a large numbers of similar, though different, product items.

According to Essoussi and Merunka (2007), country image may not affect brands in a homogeneous way. This happens due to the fact that McDonalds – a well-known brand from U. S. - will benefit from the strong American fast food culture, but a brand of cosmetics made in America will not be rated considering the same country image benefits. In other words, there are brands that hold an strong association with their country-of-origin and others that hold weak or any association at all.

In addition, some brands are automatically associated to its COO by their names, logos or even the brand image itself, even if name or logo do not represent any element calling for the COO, as in the example of Sony. However, the strong association of a brand with its COO can produce positive benefits, but also be influenced by negative stereotypes related to the country. This way, Essoussi and Merunka (2007) found that the brand typicality produce a positive moderating effect on the relationship between COD and brand image. In addition, another study from Essoussi, Merunka and Bartikowski (2011) also suggests that as more typical the brand stronger is the influence of its brand origin on brand equity. It may, therefore, be conjectured that typicality assume relevance in consumers perception of the joint effect of COD and COM.

3.4. Congruity between Brand and COM

The fact that consumers commonly tend to perceive COM identical to COD – or country-of-origin of brand -, unless specified otherwise sustains the idea of *congruity* (Essoussi & Merunka, 2007). According to this perspective, a branded product is basically expected to be produced in the same country where it was designed or the brand comes from. On the other hand, when the customer found that COM is different, it might lead to certain (in) coherence or (in) congruity inside his mind (Haubl & Elrod, 1999; Johansson & Nebenzahl, 1986), which in turn may influence evaluations of branded product (Heimbach, 1991). When brand image and COM are congruent, this congruence effect will directly impact perceived quality of the branded products (Haubl & Elrod, 1999). However, when perceived high-quality brands are produced in a COM

with a less positive image, consumers might experience an incongruity between the brand and the country, which would imply a negative impact on initial quality perceptions.

Haubl and Elrod (1999) studied the congruity between brand name and COM, introducing the concept of brand-COM congruity as "the equality of a product's COM and the home country of the brand" (1999: 201). They found that brand-COM congruity had a powerful impact on quality judgments in an empirical study of consumers' evaluations of alpine skis. This study is based on the idea that "congruity between brand image and COM image has a direct positive impact on the perceived quality of branded products", as proposed by Haubl and Elrod (1999).

When a product is manufactured in its brand home country it is considered an uninational product, for that its COM is the same as the country with which the brand is associated. On the contrary, binational products hold a brand name from one country but are manufactured in another country, and, consequently, lack brand-COM congruity (Haubl & Elrod, 1999). In addition, it is commonly accepted that consumers' quality evaluation will be less affected by the COM when a strong brand name is present in this product, but more affected in case of a weak brand name (Haubl & Elrod, 1999; Johansson & Nebenzahl, 1986; Cordell, 1992; Tse & Lee, 1993.)

The concept of congruence in a brand base perspective, seems to have been initially used by Keller (1993) in a paper about customer-based brand equity. Keller (1993, p. 7–8) suggests that the existence of congruence among partitioned characteristics and associations of a brand – which he called *Congruence of brand associations* - contribute to the cohesiveness of its image and may influence positively customers evaluation of this brand. Contrary, a negative evaluation of the brand might occur when customers identify congruence is missing among brand associations, creating a "diffuse" brand image.

Regarding to the perception of quality, customers witnessing congruence between brand name and COM tend to be generally more confident about the product's overall quality as the theory of cognitive consistency (Heider, 1946; Osgood & Tannenbaum, 1955) suggests that consistency is usually associated with positive effect (Haubl & Elrod, 1999). Moreover, brand and COM congruity requires less cognitive effort which in turn may facilitate the product evaluating process for the customer and produce a more positive image toward a brand/product and presenting this product as an attractive choice. Customers may express a greater willingness to pay more for a product if they have to make less effort to evaluate it (Garbarino & Edell, 1997: 147).

Finally, the study presented by Nebenzahl and Jaffe (1996) can be mentioned as consistent with the brand-COM congruity theory proposed by Haubl and Elrod (1999), showing that the American brand GE was rated higher when presenting an electronic product made in the U.S. instead of Japan, even though the latter is a much more attractive COM than the former for electronics. For that, it can be said that brand-COM congruity may offsets a potential overall disadvantage in terms of COM.

A summary of the concepts and ideas discussed in this chapter can be visualized in the Figure 8. Brand image is assumed to moderate the effect of COD and COM on perceived product quality. In addition, congruity between brand and COM as well as typicality between COD and brand are assumed to mediate the relationship brand – COO effects.

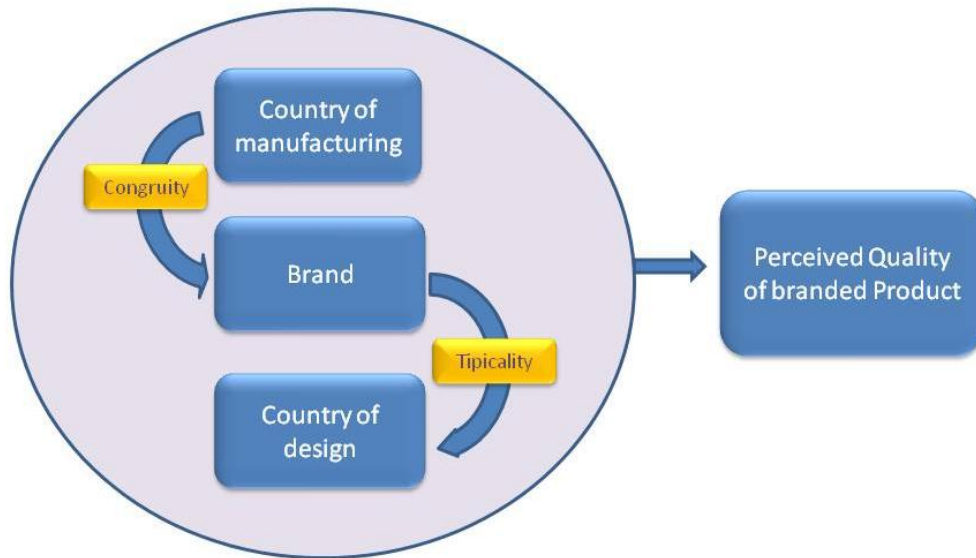


Figure 8 – The joint effect of brand image, COM and COD.

3.5. Summary

Overall, the suggested theoretical frameworks found in the COO literature can be seen as highly complex (see Pharr, 2005; Bloemer, Brijs and Kasper, 2009) considering context specific influences, and the great amount of variables that should be considered in analysis of COO. Considering that this research aims to provide a better understanding of how Brazilian consumers perceive information related to brand image, COD, and the COM jointly to evaluate bi-national products, a framework which combine these variables in a simple but complete way was chosen. More specifically, this study is based on the ideas of the conceptual model developed by Essoussi and Merunka (2007) for consumer's products evaluations in emerging markets to discuss the effects of multiple country-of-origin information on product evaluation.

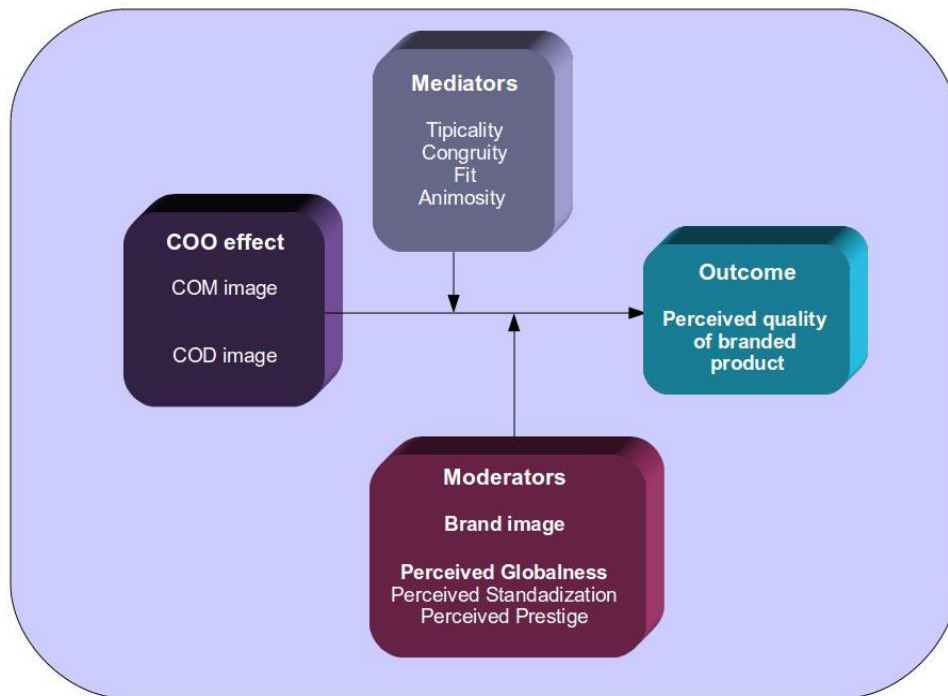


Figure 9 - A Theoretical Framework for Country of Origin Effects (Adapted from Essoussi & Merunka, 2007).

The proposed framework combines *COM* and *COD images* to construct *COO effect* on *Perceived quality of branded product* (combining product quality and brand quality) (Fig. 8). Based on the literature review, the model also includes possible mediators of COD and COM effects named: *fit*, *typicality*, *congruity* (Essoussi & Merunka, 2007) and *animosity* (Klein et al, 1998; Hoffman et al, 2011). The concept of animosity was mentioned by Essoussi and Merunka (2007), but not originally included in their model. This specific variable was added because of the indicated negative perception of Brazilian customers of products “Made in China” (Giraldi et al., 2011).

Finally, the model suggests two moderators: *Brand image* (Pharr, 2005; Essoussi & Merunka, 2007) and *Perceived Globalness* (Steenkamp, Batra, and Alden, 2003; Holt, et al., 2004), composed by the constructs *Perceived standardization* and *Perceived Prestige* (Bauer, Exler and Bronk, 2007).

4. METHODOLOGY

This chapter aims to explain the method applied on this research. In the following the research approach, the data collection techniques, the sample and the data analysis method are described. Finally, research quality is presented and validity and reliability of the study is discussed.

4.1. Methodological approaches

This study aims to achieve a better understanding of multiple country-of-origin information (e.g. Designed in country A, Assembled in country B) as a cue for product evaluation. The research approach follows an inductive perspective in order to obtain this understanding and to illustrate the Brazilian Market perception of the joint effect of COO. As observed by Saunders et al., (2007) the inductive approach helps to understand the meanings human attach to events and gives a closer perception to the research context. This way, alternative theories might be suggested after making sense of the interviewing data collected and analyzed (Saunders et al., 2007). Nevertheless, since already existing literature was used to build a theoretical framework and to support the data collection, this study combines inductive and deductive approaches.

According to (Zeithaml, 1988) the approach used in the exploratory investigation and qualitative research is appropriate for investigating quality in product categories. As the main objective of exploratory research is "to provide insights into and an understanding of marketing phenomena" (Malhotra & Birks, 2007), this method will be utilized for the present study. Furthermore, exploratory research may also help to obtain background information when little is known and to establish appropriate variables and understand how they work together and its relationships (Malhotra & Birks, 2007). For that, an exploratory study will be used as a valuable mean to find out what concern Brazilian customers regarding to multiple COO information in product evaluation. This kind of

research can be “particularly useful if you wish to clarify your understanding of a problem” or “to assess a phenomena with a new light” (Saunders et al., 2007: 133).

According to Dinnie (2004: 25), “qualitative research methodology has been underutilized in comparison with quantitative technique” in COO research. After her literature review on 2004, only three other studies on COO with qualitative analysis were found up to date : Ferguson, Dadzie and Johnston (2009) – who applied 24 in depth interviews with 24 consumers in 5 West African countries; Saunders (2010) – analyzed 36 American weblogs; and Kipnis et al. (2012) – which assessed focus groups in Kazakhstan, Poland and Ukraine. Hence, in order to fill a research gap on the lack of qualitative analysis regarding to COO studies, this research will be based on a qualitative method (see appendix 3 for table of analysis regarding to qualitative/quantitative studies by Dinnie, 2004). Qualitative data is based on meanings expressed through words and for that, no numeric data is utilized (Saunders et al., 2007). Thus, since any kind of quantitative data collection was conducted for this study, it can be considered a qualitative mono-method research (Saunders et al., 2007).

4.1. Sample and Data collection

The perception of the joint effect of COD and COM on the evaluation of global brands will be limited to Brazil, as the customers interviewed for this study are young Brazilians. Besides, this study will be empirically limited to young customers, in order to address the questionable influence of country-of-origin effect in young people introduced by Usunier (2006). The author suggests that especially this public became used to a context of different brands with different countries-of -origin, and for that young consumers are not influenced by the country-of-origin effect anymore when evaluating and selecting a brand and its products (Usunier, 2006). This assumptions are based on the suggestion that the world is becoming flat (Friedman, 2006).

4.1.1. Data collection technique

During this study, only qualitative data was collected in order to obtain a rich and detailed set of information to understand the reasons behind Brazilian customers' behavior, attitudes and opinions toward COO information (Saunders et al., 2007: 324). Aiming to assure research quality and reliability, triangulation of data through application of different collection techniques to corroborate research findings was utilized (Saunders et al., 2007: 154). This way, primary and secondary data were collected. Secondary data was obtained through posts and comments from Brazilian blogs and discussion forums available online. This material was useful for comparison with primary data and helped to place the findings of this research into a broader context (Saunders et al., 2007: 324).

In addition, the study was mainly empirically supported by primary qualitative data collected through face-to-face semi structured interviews with Brazilian consumers. Semi- structured interviews are likely to obtain more detailed answers or broader explanations, where the interviewees can build on their responses. This might provide rich data to allow a deeper understanding of the meanings that respondents ascribe to various phenomena. Even the way participants use words or ideas might add relevant significance and depth to the data obtained in semi- structured interviews. Furthermore, this kind of data collection can allow the discussion to enter in different fields of knowledge not previously considered but still important for the understanding of the research problem and objectives of a study. Finally, interviews also create an occasion where the participants are able to hear themselves "thinking aloud" about personal ideas they have never thought before and for that, providing to a researcher very fresh opinions about a topic (Saunders et al., 2007: 324).

4.1.2. Sample

Bandyopadhyay and Banerjee (2002) projected that the biggest growth in consumer markets in the future will concentrate mostly in developing countries of Asia and South America. In the book “Brazil as an Economic superpower?”, Brainard and Martinez-Dias (2009) suggests that the South American biggest country will progress in becoming a leading economic power in the future, mainly due to its key position in the segments of energy, agriculture, service industries, and even high technology. The attractiveness of Brazil as a market in the global arena is on the rise (Rohter, 2010), situation which offers many opportunities to international marketers. Brazil is “absolutely the most attractive emerging market right now” (The Economist, 2011).

Despite endemic problems of poverty and historical resistance in opening its domestic markets to foreign competition, Brazil is in international spotlight. Considering that its role in the world economy has been changing in the last decade, the country must be an important player in helping the world economic current crisis. In general, Brazil can be seen as integrated in the global economy as it never has been before (Brainard & Martinez-Dias, 2009). In addition, research regarding to international or global branding and COO has been focused in North America and Europe. Hence, a geographic shift addressing unresearched regions of the world, as Latin America (e.g. Whitelock & Fastoso, 2007; Dinnie, 2004), and therefore, Brazil, could contribute to the body of knowledge in COO studies.

Considering that Brazil is a very big country, this study focused in one of its 27 states. The interviews were organized in the state of Rio Grande do Sul, which is the southernmost state in Brazil, with the fourth highest Human Development Index (HDI) in the country. It is considered one of the highest standards of living in Brazil. Rio Grande do Sul is also considered one of the most culturally rich states of the nation, with European influence mainly from Germans, Italians and Portuguese immigrants. This region was chosen because it is believed to be representative inside the country, as

it is not the biggest neither the smallest region (in terms of population), but still presents a high standard of living.



Figure 10 - Brazilian GDP – Real growth rate - 1990-2010 (Instituto de Pesquisa Econômica Aplicada, 2011).

The study is empirically supported by primary qualitative data collected through face-to-face semi structured interviews with Brazilian consumers. In order to avoid student samples, characteristic limitation of the country-of-origin research (Dinnie, 2004; Usunier, 2006), the data was collected with students and non-students of different professions. Unfortunately, due to the fact that the study aimed to evaluate the perception of young customers, the students could not be totally removed from the sample.

The sample was selected based on convenience combined with self-selection (Saunders et al., 2007). The possibility to take part in the research was publicized via e-mail to a network of clients and suppliers of a medium size company in the State of Rio Grande do Sul. After advertising, 31 respondents offered their availability for interviews. Considering time, logistic and financial implications, 24 interviews were finally

arranged. The final sample is small and non- representative. However, the emphasis in the sampling procedure was focused upon ‘quality’ individuals who were willing to open up” to this research project (Malhotra & Birks, 2007: 63).

Table 4– Sample.

N.	Gender	Age	Occupation	Educational Background	Place of birth	Residence
1	Male	20	Student	Law	Porto Alegre	Canoas
2	Male	19	Trainee Information System	Information Systems	Novo Hamburgo	Novo Hamburgo
3	Male	18	Student	Business	Gravatá	Gravatá
4	Male	24	Software developer	Software Engeneering	Novo Hamburgo	Novo Hamburgo
5	Female	25	General register officer	Law	Dois Irmãos	Novo Hamburgo
6	Female	20	Student	Business	Novo Hamburgo	Novo Hamburgo
7	Male	29	Lawyer	Master in Law	Novo Hamburgo	Novo Hamburgo
8	Male	23	Teacher	Languages	Porto Alegre	Porto Alegre
9	Male	18	Student	Business	Estancia Velha	Estancia Velha
10	Female	25	Administrative Assistant	Psychology	Novo Hamburgo	Novo Hamburgo
11	Female	30	Banker	Law	Taquara	Igrejinha
12	Male	30	Manager	Law	Tenente Portela	Porto Alegre
13	Female	29	Chemist	Chemical Engineering	Novo Hamburgo	Novo Hamburgo
14	Male	30	Engineer	Engineering	Porto Alegre	Porto Alegre
15	Male	29	Biologist	Biology	Sapucaia do Sul	Sapucaia do Sul
16	Male	22	Trainee	Engineering	Porto Alegre	Porto Alegre
17	Female	23	Advertising	Communication	Novo Hamburgo	Novo Hamburgo
18	Male	26	Advertising	Communication	Porto Alegre	Taquara
19	Female	25	Sales assistant	Nutrition	Bento Gonçalves	Guaporé
20	Male	27	Lawyer	Law	Novo Hamburgo	Portão
21	Male	16	Student	Mechanic	Portão	São Leopoldo

22	Male	26	Engineer	Engineering	Rio Pardo	Carlos Barbosa
23	Male	29	TI Analyst	Engineering	Porto Alegre	Canoas
24	Female	28	Lawyer	Law	Novo Hamburgo	Novo Hamburgo

Besides, the sampling was based on the idea of data saturation, when interviews are conducted until data saturation is reached and additional data collected provides few or no other different insights (Saunders et al., 2007). This means no more advertising was published or sent to invite new participants after organizing 24 interviews because it was considered enough the information obtained with the data collection of these interviews.

4.2. Semi-structured interviews

In exploratory studies, non-standardized interviews and qualitative research are very likely to be utilized, especially to understand the reasons behind customer's opinions and attitudes. In addition, interviews can be the most advantageous approach to obtain data when there are a large number of questions to be answered, which are either complex or open-ended (Saunders et al., 2007). Qualitative data is characterized by its richness and fullness as it allows the exploration of a subject in the closest way to the reality (Robson, 2002). This way, data was collected through a total of 24 interviews aiming to analyze Brazilian customer's perceptions regarding COO information.

Due to the nature of the interviews the questions could vary from one respondent to another, however, a preliminary structure was created to support the interviews, providing a list of topics to be covered and suggested questions. In order to encourage the interviewees to provide as detailed and extended answers as possible, the questions were open-ended (Saunders et al., 2007: 337). The questions of the interviews were mainly based on issues raised by Usunier (2006) and Holt, Quelch and Taylor (2004). The interviews were organized in Brazil from November to December 2012.

A preliminary pilot test was conducted to refine the questionnaire and reduce problems in understanding and answering the questions. Furthermore, it helped to improve validity and the likely reliability of the data that was going to be collected (Saunders et al., 2007). The pilot test was also utilized to verify if the answers obtained with the questionnaire were suitable to answer the research question and objectives of the study. The pilot test interview was not included in the final data analysis, but based on its application it was possible to understand that selecting some specific products for the study could be useful as COO information is suggested to be product-specific and may vary from one product to another. Thus, pictures of mobile phones of two different brands and two different fashion products from the same brand but from different country of production were included in the interviews. Besides, some questions were removed and other questions were rewritten in a clearer way after the application of the pilot test. Although the interviews were not totally structured, the questions were based on the following structure:

Table 5 – Main topics of the semi-structured interviews.

Topic	Information obtained	Theoretical reference
Introduction	Age Occupation Educational background Place of birth/ place of residence	
COO information	Importance/ relevance Attitude/ feelings toward COO information	Usunier (2006; 2011); Josiassen (2009); Wong et al. (2008); Pharr (2005); Josiassen, A., Harzing, A. (2008); Magnusson et al. (2011a); Samiee (2011).
Brand image	Brand x COM Importance/ relevance Attitude/ feelings toward COO	Holt et al (2004); Pharr (2005); Johansson and Nebenzahl (1986); Thakor and Lavack (2003).

	information Perception of brand prestige Globalness	
COM influence on Perceived product quality	Attitude/ feelings toward COM information Opinion about product quality	Essoussi and Merunka (2007); Han and Terpstra (1988); Chao (2001; 2003); Insch and McBride (1998; 2004; 2008); Chowdhury (2010).
COD information	Importance/ relevance Congruity	Saunders (2010); Han and Terpstra (1988); Chao (2001); Insch and McBride (2004).
Animosity	Attitude/ feelings toward COO Opinion about "Made in China"	Klein et al (1998); Giraldi, et al. (2011); Hoffmann et al (2011); Carvalho (2002).
Typicality	Attitude/ feelings toward COO Opinion about "Made in China" Typicality of China as COM	Magnusson et al. (2011a; 2011b); Loken and Ward (1990); Essoussi and Merunka (2007).
Products/brands/labels examples	Attitude/ feelings toward COO Opinion about "Made in China" Quality perception influence on brand and product	Holt et al (2004); Saunders (2010); Giraldi et al (2011).
Final comments	Additional thoughts or suggestions	

The interviews were conducted in the mother tongue of the respondents, which is Portuguese. The average length was around 45 minutes. The interviews were audio-recorded, transcribed and translated into English within maximum one week after each interview. The transcribed data was sent to the interviewees for confirmation and eventual correction as agreed previously. The final data was saved using a separate file for each interview. Each filename was saved as "Interview 01 – 23" to maintain

confidentiality and preserve anonymity while still allowing recognizing important information easily.

The country of origin of manufacture image focused on China, considering the increased Brazilian imports of Chinese manufactured goods. “Brazil’s trade with China grew eighteen times in total volume between 2000 and 2008, and by 2009 the Asian country had become Brazil’s leading trading partner” (Bull & Kasahara, 2001:1). The focus in China as the country-of-origin of manufacture has been chosen because of its current importance as the fastest growing emerging economy in the world and because most of the choices in global outsourcing manufacture by multinationals focused in this country. Furthermore, the Made in China image was founded to have a negative effect on products evaluated by Brazilian customers (Giraldi et al., 2011).

4.3. Data analysis

Qualitative data is usually associated with ambiguous and elastic concepts, difficult to quantify in a meaningful way. The non-standardized and complex nature of the qualitative data collected has implications for its analysis. The researcher should avoid presenting what might appear just an impressionistic view of the real meaning of the results. This means, during the phase of data analysis, data collected need to be “condensed (summarized), grouped (categorized) or restructured as a narrative to support meaningful analysis” to be discussed further (Saunders et al., 2007: 482).

This way, data collected for this study was summarized, categorized according to the objectives of the study and to the main topics discussed on the interviews (see table 5). The most representative answers and comments obtained during the semi-structured interviews were quoted to illustrate the results analysis, providing a better understanding of the meaning. This procedure aimed meaningful and useful analysis of qualitative data, according to Saunders et al. (2007: 480).

Saunders et al. (2007: 500-514) presents different analytical procedures for qualitative data divided into deductive analysis – pattern matching and explanation building - and inductive analysis - data display, template analysis, analytic induction, grounded theory, discourse and narrative analysis. Yet, according to Yin (2003) the existing theory applied in elaborating a research question and objectives as well as the propositions of the theoretical framework should be used to organize and guide the data analysis process. For that, the theoretical base presented on the second and third chapters of this paper were used on data analysis process. In addition, the proposed theoretical framework was applied to explain research findings.

For this research, pattern matching is developed as analytical process of the collected data. According to Saunders et al. (2007: 500), this method consists in forecasting a pattern of expected outcomes of a research which are mainly based on theoretical propositions. For that, a conceptual or analytical framework is built under existing theory which in turn is supposed to explain the expected outcomes. In other words, the pattern of the collected data should match (or not) the theoretical pattern. Saunders et al (2007: 500) suggests two variations of this procedure: one is associated with a set of dependent variables in which the possible outcomes come from another, independent variable; another variation is related to variables that act independently.

In the first variation, in case one or more research results are not part of the predicted pattern, an alternative pattern has to be suggested (Yin 2003). On the other hand, the second variation involves identifying a certain number of alternative explanations to account for the expected results. Accordingly, there will be only one adequate explanation which might fit on the findings and consequently, the other explanations may be abandoned (Saunders et al., 2007: 500). The ability of the researcher in withstanding alternative explanations and the nature of non- expected results have great influence in the validity of the study and its conclusions (Saunders et al., 2007: 496).

In addition, direct quotes extracted from the interviews were transcribed in the chapter 5 to illustrate better the interpretation of the results and findings. These quotes were also

added to give examples of customers' opinions and ideas, creating a clearer understanding of the data analysis.

4.4. Validity and reliability of the study

Validity and reliability issues define the quality of a research project (Saunders et al, 2007). The overall quality of this study was enhanced through the collection of primary and secondary data targeting best results. This way, it was possible to obtain different points of view regarding the research topic, varying the source and, hence, providing a comparative context of analysis (Saunders et al. 2007).

Validity is conceptualized by Malhotra and Birks (2007, 159) as “the extent to which a measurement represents characteristics that exist in the phenomenon under investigation”. Validity can be pilot-tested to identify and eliminate potential problems before applying a questionnaire. Validity can also be ensured by using questions from previous research. The questionnaire used in this study considered questions rose on previous research (e. g. Usunier; 2006; Holt et al., 2004) and it was pilot-tested to ensure its validity. Moreover, it was carefully worded and translated to Portuguese to preserve clearly understanding of the questions by respondents. Thus, the answers provided by Brazilian customers are assumed to be as more accurate as possible.

Reliability is the extent to which a scale presents consistent results when being reutilized for the same purpose (Malhotra & Birks, 2007: 313). Robson (2002) describes four possible threats to reliability: participant's error, participant's bias, observer's error and observer's bias. This research aimed to reduce participant error choosing a sample based on self-selection, so that, only participants motivated and willing to open their ideas were included in the study. Besides, in order to reduce participant errors stemming from the length of the interviews, the sessions were divided into two parts: first one with questions and second one with the use of images. This helped to overcome

monotony and to maintain the respondent's capacity to concentrate on the topics and to be motivated to give accurate answers. Aiming to avoid participant bias, the interviewees were informed that their anonymity would be maintained during the whole process of interviewing and data analysis. This helped to build trust between participants and observer. Additionally, aiming to reduce observer error, a planned structure of the questions was developed to guide the interviews.

Finally, concerning the external validity or generalisability of the research, it should be acknowledged that the findings of this study may not be generalisable to other countries and products, since COO effects are considered country and product specifics (Bilkey & Nes, 1982). Moreover, due to the size of Brazil and its population, results may vary from one region to another. Thus, the generalisability of this study lies in the assumption that the results can be indirectly applicable as an initial understanding of customers' perception of COO information for managers of companies entering or operating in the Brazilian market. The purpose of the present research as an exploratory study is to explore the nature of the research problem and contribute to existing theory on COO effects on customers from developing countries. Hence, the results here presented are not intended to generate statistically generalisable conclusions (Saunders et al., 2007).

5. EMPIRICAL RESULTS

This chapter presents and analyses the empirical findings of this research. In order to answer the research questions, the data analysis developed here is based on the research methods presented previously. Perceptions of Brazilian customers collected through the interviews will be presented and discussed. Then, the main findings on Brazilian customers' perceptions about COO will be outlined. Lastly, a pattern matching will be applied to compare the findings with the initially proposed theoretical framework.

5.1. Relevance of COO information for Brazilian customers

One of the main objectives of this study was to understand the relevance and/or importance of COO information from Brazilian consumers' point of view. It was possible to observe positive and negative perspectives regarding this issue, but especially it should be highlighted that most of the customers report a relative importance. This means that in general COO information is said to be important but, at the same time is not decisive for an overall opinion about product quality.

On the other hand, an interpretation may be that Brazilian customers do not actually think or care very much about COO information, however, when asked about it they seems to answer positively without entering in deeper details. This idea can be exemplified in the comments of the respondent number 1:

“I do not withdraw from a purchasing for that reason, but I think country-of-origin is of paramount importance”.

The same idea is highlighted by the interviewee n. 22:

“I do check the origin of a product through its identification. I do not consider this information necessary, but important”.

The main reasons explaining why COO is not important, when it is the case, are due to the fact that quality evaluation is not based on this information and to the presence of the brand which works as quality indicator for most of the respondents. This can be seen in the comments of interviewee n. 2:

“I don’t consider important the country-of-origin of a product, because I believe the quality is not defined by the country of production. The firms are always looking for cheaper workmanship”.

The importance of the brand is emphasized over the COO information:

“For me it is indifferent (COO), I actually pay more attention to the brand than to where the products were manufactured”. (Interviewee n. 5)

In general, the participants separate the idea of quality from country-of-origin, which can be illustrated by the following comments:

“I do not care about the country-of-origin, I just pay attention to the quality of the product, its brand, material, design”. (Interviewee n. 3)

“I do not think country-of-origin information is important. Honestly, the most important for me is to check the quality of a product, mainly regarding to its cost versus benefit relationship”. (Interviewee n. 10)

From this last answer is also possible to observe that Brazilian customers show pronounced sensibility to price, which in some cases can reduce the importance of COO effect.

“For me, country-of-origin is of little importance. I mean, of course there is still some importance, but it is not decisive, money speaks louder”. (Interviewee n. 12)

In addition, as already highlighted by the respondent number 2, it seems there is an overall acceptance for shifts in manufacturing place which are transferred from the original country-of-origin-of-brand to developing countries. The incongruity on COO information (e. g. different country-of-design and country-of- manufacturing) seems to be accepted based on the justification of production costs reduction. The following comments illustrate this idea:

“Nowadays, I do not check COO anymore. It was important long time ago, but currently the mass production is concentrated in China and other Asian countries”. (Interviewee n. 7)

“It is not relevant (COO), because most of the global products we have in the market make use of workmanship in third world countries”. (Interviewee n. 14)

“I usually do not pay attention, because today the world is so globalized that a product is made in various countries, I do not consider important the country, but the product brand (think an Apple, for example, they would not make their product in a country with no quality outputs)”. (Interviewee n. 17)

Conversely, the main reasons reported for COO relevance are related to country-of-origin fit (manufacturing capabilities), international cooperation, authenticity and ethics. Specifically for ethical motives, it is observed that consumers appear to balance animosity feelings due to non-ethical country attitudes when looking for COO information for product evaluation.

“I think it is important the country of origin. There are countries where the products are manufactured with less dedication and less reliable parts, including those who already have a famous bad reputation like Paraguay”. (Interviewee n. 10)

“Yes, it is always important to examine the origin of the products in order to get to know the circumstances and conditions under which they are produced. I always examine whether the country of origin has some relation with Brazil in international relations, if there is any "partnership" between countries, treaties, conventions, in order to provide or contribute

to economic development. I try to inform about the existence of some reciprocity, tax incentives, for example". (Interviewee n. 11)

"I believe COO is important because it gives authenticity to some products. Since many have their quality linked to the place of origin, such as: French perfume, Italian pastas, and bikinis in Brazil". (Interviewee n. 18)

"I think (COO) is important sometimes, because some specific countries still hold differentiated expertise and know-how regarding to the manufacturing of some products". (Interviewee n. 20)

"Yes, I am aware of the fact that countries have different labor policies as well as sustainability measures. I want to know where the firm from which I am buying a product is investing in research and development. I prefer products manufactured locally". (Interviewee n. 22)

5.2. Customers interaction with COO information

Brazilian customers' interaction with COO information appears to be low since they do not often check COO information before the purchasing, but mostly after.

"I just check the country-of-origin after the purchasing. I consider it important. I mean, it is interesting to buy products which are made in our country, Brazil. This helps our economy growth". (Interviewee n. 2)

"After shopping I end up finding out where the product comes from, checking the pack. Despite not taking it too seriously in the purchase, and not looking for it in the moment of choice, I still consider important the COO information". (Interviewee n. 9)

"I usually observe after the purchasing, mainly in the case of fashion and electronics". (Interviewee n. 5)

The main reasons for checking COO information are related to curiosity and it can be observed that consumers find it necessary/interesting but do not always use it as

decisive indicator of quality. On the other hand, brand seems to have a greater impact in product quality evaluation.

“I do not check, just take a look for curiosity. In my opinion, it is not relevant to check where a product was manufactured since it holds a well known and conceptualized brand. This way I know the product has good quality and comes from a good origin”. (Interviewee n. 5)

“I check for curiosity, because the same brand, especially when global, can be produced in different countries. Some even unusual for me”. (Interviewee n. 16)

“I note, but just for detail. I think it can be important the country of origin, since most of the products that are made in China, India, Indonesia, are produced in large quantity and with low quality”. (Interviewee n. 10)

“I look for COO information on the packaging to know where it was manufactured. I believe it is extremely important because it is a way to authenticate the quality”. (Interviewee n. 18)

The kind of products in which COO information is usually checked are mainly electronics and food. Interestingly, when asked about their perception of a possible situation with a product in which they would like to check COO information without finding it, Brazilian customers reported this would affect their perception of product quality. However, most of the interviewees affirm this never happened to them. This situation, reinforce the idea that COO information is considered necessary, but not significantly important. The brand appears again as a quality indicator.

“If I would search and would not find it would cause brand distrust, because I would think they are concealing the origin, leaving me with a “grain of salt” on the quality and method of manufacturing”. (Interviewee n. 1)

“I would feel frustrated, because if it would be something like technologic products, in which can occur several functionality problems, I could even withdraw a buying. This situation never happened.” (Interviewee n. 6)

"In the case I would not find COO information I would be suspicious about the real quality of the product". (Interviewee n. 15)

Considering the interviewee n. 11 opinion's for the same situation, it is possible to assume higher relevance of COO toward non-branded or unknown branded products.

"In case I would not find out where a product was manufactured, I would hardly buy it. I would seek for another brand, better known, which could offer me some security and guarantee. However, it never happened to me". (Interviewee n. 11)

The suspicion of counterfeits products was highly related to the lack of COO information by Brazilians. This can be illustrated by the following comments:

"The lack of information regarding to its origin would create me doubts about the product, like doubtful quality and piracy. I cannot remember facing a situation like this before". (Interviewee n. 13)

"I would be suspicious that the product is counterfeit". (Interviewee n. 23)

Although the lack of COO information seems to influence product quality evaluation negatively, it can be observed in the comments of interviewee n. 11 and 13, that this situation was reported as never faced before. This may indicate variation on their attitude in case of a real situation.

5.3. Perceived product quality of branded products

The opinions regarding the importance of the brand in evaluating product quality vary, with a slightly higher part of respondents which do not check about COO information in case they already know they brand.

"After checking the origin once I do not usually do it again, because if I know the brand I am know where the product comes from". (Interviewee n. 18)

It can be observed that customers use brand as "origin", and most of them use the word "procedência", which in Portuguese does not mean exactly origin, but gives an idea of "where it comes from". Moreover, the word "procedência" is usually used meaning also "from who it comes from". It seems Brazilian customers use it in the interviews in an attempt to explain that the product comes from a well known brand, meaning familiarity. Overall, the customers who said they check COO information even when they are familiar with the brand do it mostly for curiosity.

The interviews revealed that from a consumer perspective a global brand holds prestige and high quality. These findings were in line with the study of Holt, Quelch and Taylor (2004). However, when asked about quality perception of global branded products "made in China", respondents' opinion vary and can be classified into two broad categories.

The first category is composed by the respondents which perceive the quality of global brands manufactured in China as uniform, mainly due to quality standardization and relevance of the brand prestige. In other words, they believe that global products are more or less the same regardless where they were manufactured, because of quality tests to which they are subjected. In addition, the prestige of the global brand is not affected by its manufacturing country image and it works as base for quality evaluation.

"I believe global brands maintain the quality of its products even when produced in China, because nowadays several quality tests are made and even products made in China, passes almost in all tests". (Interviewee n. 2)

"I believe global brands offer good quality and prestige most of the time. Even the product being manufactured in China if it is a brand that offers

prestige I would buy because I think the quality would not change by changing manufacturing site". (Interviewee n. 5)

"Any brand, national or international, can offer prestige and quality, not its origin that qualifies the product. Who has prejudice about products "made in china" is out of the consumerist world, because the concentration of production and outsourcing is in the Asian country". (Interviewee n. 7)

"If the brand is prestigious, does not matter the country of manufacture". (Interviewee n. 17)

"I think brands that have recognized quality are supported by manufacturing standards to ensure product quality wherever it is manufactured. It is possible to have a product made in China with a high quality due to the requirements of a global brand". (Interviewee n. 22)

"I believe that in China there are good and bad products. Rather, I believe that serious dealers acquire quality products from certified factories, or something like that ...". (Interviewee n. 23)

The second category is represented by participants who pointed out quality decline on global branded products made in China. This group is slightly bigger than the first one. Consumers voiced a certain bias toward China based mainly on a well-known culture of counterfeit products, piracy, low- labor costs and use of low quality material.

"I believe global brands manufactured in China can offer a good quality, but we have a prejudice with the "Made in China" because it is an imitation, something cheaper".(Interviewee n. 6)

"Manufacturing in China just removes a little of the prestige of the brand". (Interviewee n. 8)

"If it is "made in china" it leaves some doubt at the time of purchasing because the country has a reputation for counterfeits products and products without quality".(Interviewee n. 9)

"Nowadays so much is being made in China, but I feel suspicious about the quality. If it is "made in China" I really observe and analyze the quality".(Interviewee n. 10)

“Most of the global brands offer prestige and quality. If the product is “Made in China”, however, I believe in quality loss. I think in unqualified labor force, product of dubious quality, poor durability, etc”. (Interviewee n. 11)

“When it comes to China this prestige decreases”. (Interviewee n. 15)

“ ‘Made in China’ is tricky to evaluate because labor costs there are cheap, extensive workload, I do not know if the material they use is the best, because their prices are always cheaper”. (Interviewee n. 21)

“I believe that European and American brands hold prestige by high technology and innovation. But products “made in China” cause distrust by the large number of piracy and very low prices”. (Interviewee n. 13)

“It depends, I like to buy products of national brands when I have that option. Unfortunately, when looking for products on the field of cycling/motorcycling often I have to go for imported products in search of quality and performance, in this case, the brand offers international prestige. Quality depends on many things and the country of origin is one. I do not usually choose products made in China, because culturally they are known to have power to manufacture, very low labor-costs, but also because they do not have a good quality control in their factories”. (Interviewee n. 16)

When describing the factors which influence the product quality perception of a branded product, in general, the respondents reinforced the greater influence of the brand image. Some participants showed a little preference for congruity between COM and COD or country-of-origin-of-brand.

“Preferably, compatibility between country of design / brand and country of production”. (Interviewee n. 11)

“I prefer products “designed” and manufactured in the same country”.(Interviewee n. 13)

One interviewee recognized that the influence of COO and brand on quality is product specific and explained:

“It depends a lot on the kind of product. For a car I consider brand 50%; COD 10%; COM 40%. When talking about mobile phones, brand is 40%; COD 10%; COM 50%. And if would be a wine, brand represents 40%; COD 30%; COM 30%”. (Interviewee n. 22)

Incongruity between brand and COM was said to have no influence on brand image for global products manufactured in China, if the quality of the product remain the same for the major part of the respondents. Only four interviewees emphasized they could change their opinion about the brand in this case.

5.4. Congruity influence on quality perception

Incongruity on COO information (e. g. country-of-manufacturing different from country-of-design) seems to influence negatively the perception of product quality for most of the customers. However it is observed a small group that is not influenced by incongruity. Detailed reasons can be observed in the following comments:

- Group 1 – incongruity influenced negatively evaluation of quality :

“Once I went to buy a bag, and I analyze the country of manufacture, saw it was made in China, the famous "Made in China", just thought it was a fake handbag, because it is something that we hear much talk nowadays”.(Interviewee n. 6)

“I change my opinion about product quality especially when the product comes from China”. (Interviewee n. 8)

“A while ago, I had an unfortunate experience with the famous "Nike shox". My father brought me one from China, which just deteriorated too fast and its comfort was not what was said to be. I started buying this same model here, without further problems. Now every time I have the opportunity to order a tennis coming from China, I refuse gladly”. (Interviewee n. 9)

"Yes, when I see that a product was made in China I have doubts about its quality". (Interviewee n. 13) (Interestingly, at this point of the interview at the China has not been mentioned yet).

"More than once I have found in high standard products that I thought were manufactured in the countries of origin of the brand but have been outsourced to third world countries. I know it is a common practice, but I think if I am consuming an Italian shoe I expect the same to be made in Italy". (Interviewee n. 18)

"I was a little disappointed when I saw that some global brands were produced in China. When the competition for price is very important I can understand, but in products with high quality and high price, I feel disappointed if it is made in China or in some other country that I do not agree with the policies". (Interviewee n. 22)

"I often search to see if the "made in" is compatible with the country of origin of the brand or product. If they differ I avoid acquiring them because I think about unqualified labor force, a product of dubious quality, etc..".(Interviewee n. 11)

- Group 2 – incongruity has no influence on evaluation of quality:

"Actually, I have already been impressed with the quality of a product made in China, for example". (Interviewee n. 2)

"I never changed my opinion because of a different country-of-manufacturing, for example, Nike products made in China, I never changed my opinion about the quality of them, because the manufacturing site did not influence it".(Interviewee n. 5)

"The first time I realized that a product was manufactured in a country completely different from his country-of-origin was with a pair of Nike shoes, which was produced in Vietnam. But even so, I have not stopped buying it".(Interviewee n. 17)

"I do not care about the country-of-manufacturing, because I believe in the quality control of the brand". (Interviewee n. 14)

5.5. Animosity

The idea that animosity might influence COO image and, consequently, quality perception seems to be confirmed by the respondents of this study. Animosity was demonstrated mainly regarding to negative personal experience, consumer ethnocentrism and antiethical political attitude (Klein, 1998). Various ethic implications related to country-of-origin information were found to be important for Brazilian customers. These implications can be exemplified in the following comment:

"I always check the source of the product to be purchased. Generally, I seek information with people I know who have already acquired certain brand, in order to ascertain their level of satisfaction or I search on Internet for information about it. I find it extremely necessary to know the country of origin of a product: origin of the raw material as well as the conditions under which such products are produced, work environment, organization, existence of any warranty to manufacturing defects, conditions in the production line. I don't agree with companies working with raw materials that harm the environment, nor with exploitation of labor (slavery, child ...). Then, there is also the issue of taxes renunciation when such products enter other countries illegally and are often resold the same way, informally. Globally speaking, such a system does not contribute at all to the development of countries" .(Interviewee n. 11)

"When I think about "Made in" I try to imagine the conditions of the manufacturing site to produce the product and for its workers. I think about the external policies of this country and its impact on my country".(Interviewee n. 22)

"I find important to know the country of origin, but rarely is an influence at the time of purchase. However, I care for such information when multiple sites in China were discovered and prosecuted by slave and inhumane labor. I avoid buying products with the information "Made in China" for this reason". (Interviewee n 24)

"China is causing damage to many countries because of its cheap labor. Many are deciding to close their doors in their home countries and head to China". (Interviewee n. 16)

"In Brazil, before 1994, we did not have an open market for goods from abroad. And for lack of competition, we had low quality products. So we believed that products from abroad were always better than ours. Currently the situation is different, although we Brazilians still appreciate foreign brands, we are evolving

in the quality process and getting national and international recognition". (Interviewee n. 13)

"Imported products always carry the image of being better, just because they are imported. Unfortunately the people think so, because the quality is not always what we think, domestic products can offer us more affordable prices and even better quality". (Interviewee n. 9)

Although some Brazilian consumers participating on this study denied negative perceptions toward specific countries, most of the respondents emphasized their bias toward China and some mentioned also other Asian countries such as Japan, Korea, India, Indonesia and Vietnam.

5.6. The joint effect of COM and COD

Regarding to global products holding exclusively country-of-design information, such as "Designed in...", most of the respondents of the study mentioned that they do not pay attention or do not remember to have experienced this situation. Overall, participants of the study appear to relate the country-of-design to the perceived country-of-origin of the brand (Magnusson, Westjohn and Zdravkovic; 2011a), establishing a relationship of fit (Essoussi & Messunka, 2007). A customer said "Every time I read "Design..." it is already implicit for me that the product is manufactured in China". (Interviewee n. 16)

Some participants emphasized a low relevance for the COD of global branded products:

"I need to know where the product was made, but I do not think is so relevant to know where it was designed. " (Interviewee n. 24)

"For me, the brand counts fifty percent, the COD zero percent and the COM another fifty percent when evaluating quality of a branded product". (Interviewee n. 16)

When discussing the occurrence and quality perception of recognized global branded products which were designed in one country and manufactured in another, it was possible to identify three main groups of customers. The first group describes an acceptance of COO incongruity justified by price reduction and marketing competition, although showing low level of disappointment.

“I realized that multinationals use countries with cheap labor to manufacture their products”.(Interviewee n. 1)

“Yes, I believe that today it is perfectly natural (to have product designed in one country and manufactured in another) due to cheap labor benefits where the product is manufactured”.(Interviewee n. 14)

“I believe that is a bit disappointing for those who purchase the product or the brand because of the recognition of its country, but it is a common practice due to market competition for cheaper prices”. (Interviewee n. 18)

The second group emphasizes greater changes on quality perception, mentioning in most of the experienced situations China as COM.

“Yes it already occurred, my perception was to think quality would be much worse than the original because they were fudging the real, into something more ‘popular’ ”.(Interviewee n. 6)

“A Nike shox, produced in china, with poor quality and defective, bad experience”.(Interviewee n. 9)

“Countless times I have come across such a situation. Examples we have with products produced in China, but design conceived in other countries and exported to several countries, including Brazil, to trade for lower values. I do not agree with such a system of "production", I believe that the product loses its identity and much of its quality”. (Interviewee n. 11)

“Yes, the quality dropped a lot. I have a Cannondale bike brand, which is Handmade in USA (Made in USA) since 1998. The bike is still perfect. A friend bought one in 2009, equivalent to my (no longer manufactures over the same model as mine, but the model would be the equivalent today)

which is Designed in USA and made in China. As a result, his bike broke after 2 years of use”. (Interviewee n. 16)

The third group suggests no changes on quality perceptions, expressing positive evaluations mainly based on the existence of international standards. The idea of globalness seems to mediate quality perception (Steenkamp, Batra, and Alden, 2003; Akram, Merunka and Akram, 2011).

“Yes, my opinion does not change, because renowned international brands usually have a great concern about the quality of their products regardless of where they are produced”.(Interviewee n. 15)

“Usually, my perception of quality does not change (when a product is manufactured in a different country than country-of-design) because there are international standards of quality, but how the product was made also interests me. Moreover, sometimes there "quality that is not seen," less noble materials that are used where the user does not see, e.g. inside the battery cell, a steel car, a calculator processors, electric motor of a fan“(Interviewee n. 22)

The overall product evaluation of the participants regard global brand which utilize exclusively Country-of- Design information, or emphasize it while concealing Country-of-manufacturing information was negative.

“I think it's a marketing game, because a lot of people do not like something made in China or Vietnam, for example”. (Interviewee n. 2)

“I think it's a brand that believes that the manufacturing site can drive consumers to withdraw buying the product. I find it negative, because since the brand maintains the quality, it does not matter for me where it is manufactured”. (Interviewee n. 5)

“The omission of information concerning the country of production, by itself, already demonstrates a lack of ethics and transparency for the brand toward its consumers. A brand that does so loses credibility because often the information just about design can lead the consumer into error, to believe they are buying a product from the country that originated the brand when in fact, it went through a process of "outsourcing" of labor, i.e., the product has gone through a manufacturing process often inferior to what the consumer was used,

affecting product quality and consequently, customer satisfaction". (Interviewee n. 11)

5.7. Typicality

The respondents were asked to give some examples when thinking about typical products from specific countries. All of them were able to give at least one example, and most of the participants listed three or more countries/products. Furthermore, just few brands were mentioned, with emphasis on the product – COO relationship. This way, might be that the idea of typicality of the brand has lower influence in brand image and consequently, on quality perception of branded products. Interestingly, the interviewee number 2 commented on partitioned typicality: "I could mention Nike made in Vietnam, which is a brand typically American and Apple made in China, which is also typically American".

On the other hand, the fact that customers relate COO information to its typical countries can illustrate a situation where COO might still be considered relevant to young Brazilian Customers. The examples given by the respondents could be visualized on Table 5. It can be highlighted that the image of China was associated to "all kind of products" by two respondents and to electronics by three.

"When I read "made in" I start to imagine that the next word is China, we are so used to read it, because the country produces much, and are not products of a single type, but everything imaginable". (Interviewee n. 9)

Table 6 – Typical COO products and brands voiced by the interviewees.

	Country	Product category	Brand
Most voiced	China	Electronics	
	Germany	Cars	Mercedes
	Cuba	Cigars	
	Japan	Electronics	Semp Toshiba
	USA	Apple	
	France	Perfume	
Second most voiced	China	All kind of products	
	USA	Bike devices	Cannondale
		Shoes	Nike
	Germany	Beer	
	Switzerland	Watches	Rolex/Victorinox
	Italy	Fashion	
Third most voiced	France	Make-up	Lancome
		Fashion products	Louis Vuitton
		Bread	
	USA	Cars	
		Electronics	
		Fast food	
		Fuel	
		Computers	
		Smart phones	
		Clothes and accessories	
	Finland	Nokia	
	Uruguay	Wine	
	Switzerland	Cheese	
		Chocolate	
	Germany	Sausages	
		Adventure accessories/equipments	Deuter
	China	Counterfeit products	
	Italy	Accessories	
	Shoes		
	Pizza		

	Russia	Cars	Lada
	Brazil	Cars	
		Food	
		Precious stones and metals	
		Natural products	
		Surf equipments	Trilhas & Rumos
		Bikinis	
	Australia	Adventure equipments	
		Surf equipments	
	Mexico	Tequila (drink)	

5.8. Examples of branded products

The participants were asked about their perceptions of brand image and quality regarding to four specific images (see appendix 2), representing branded products with partitioned COO information, as following:

- a mobile phone Apple (Iphone) – Designed in California, Assembled in China
- a mobile phone Nokia – Designed in Finland; Made in China
- a leather bag Prada – Milano. Made in China
- a pullover Prada – Milano. Made in Peru.

The questions were the same for each image. The selection of the images considered type of product - the first two figures represented the same category of product, same COM but with different brands and COD. The second last images were represented by the same brand, but for different products, same COD, but different COM.

5.8.1. Mobile Phones

The results seem to indicate variation of COM influence on perceived product quality for the same product, which based on the analysis of the answers, can be attributed to brand image. The respondents showed a higher negative influence of COM for mobile phones branded Nokia than for Apple iPhones. This can be due to the stronger influence of brand image represented by Apple, as indicated by the respondents overall evaluation of the brand (see Table 6). In addition, as suggested by Kim and Lavack (1996: 25) function-oriented brands and prestige-oriented brands might be differently affected by COO. In this case, if Apple could be considered a prestige-oriented brand, it might affect perceived quality of branded products in a stronger level than a function-oriented brand, such as Nokia.

On the other hand, other factors that were not included on the question might influence this variation, such as the typicality of the brands (Nokia – Finland; Apple – USA) or country-of- design fit. The variation on the use of the term "Assembled in China" by Apple, instead of "Made in China" as Nokia, might also be considered.

Contrary, it can be observed that COO image has almost no influence on brand image for both brands. Furthermore, it seems that COO information has no influence in other products of the brand, for both cases. This means that if one mobile phone is manufactured in China, even if this COO image can influence negatively the quality perception of a specific product of a brand, the same negative perception is not extended to other products of the same brand.

The main reasons reported for low relevance of COO on quality product evaluation were related to the importance of the brand as a quality indicator, supported by perceived standardization of quality for both brands.

- Nokia examples:

“Nokia is a great phone maker, even if made in china. The product must have quality, because Nokia would not risk its name”. (Interviewee n. 2)

“Nokia is a good brand and well known, has excellent quality, whenever I have the opportunity to buy it I will do, regardless of where it is manufactured. I actually do not check where it was produced”. (Interviewee n. 5)

- Apple examples:

“It is a good quality product, even being manufactured in China, and yet the Apple makes a good customer service when there is a problem (differential over other brands)”. (Interviewee n. 16)

“It is a quality product with American technology and design. As I have brand awareness, know that quality is linked to strict control of the brand and its products. These products despite produced elsewhere in the world, have strict quality system and American-edge design of the best professionals in the world”. (Interviewee n. 18)

Conversely, the main reasons for negative COM influence on perceived product quality were related to the Chinese fame for counterfeit products and piracy.

“Yes (COO influence my perceived product quality), because there are countries like China with its reputation for piracy. If it says it was made in China, you cannot expect anything good”. (Interviewee n. 9)

Interestingly, when commenting about the image of Nokia, the respondent n. 18 expressed a positive influence by the COM China. This interviewee highlighted “China is well-known for its manufacturing capabilities on technology products.” The same capabilities were emphasized by the interviewee n. 6 and n.11, explaining why the COM has no influence on their opinion about the product. Moreover, only two

respondents mentioned the COD as an indicator of product quality (counter-balancing with a negative COM):

"The origin has no influence on my evaluation of quality evaluation because the product was just assembled in China, whereas the project was developed in Finland" (Interviewee n. 2).

"As the above questions, the brand must have maintained a minimum standard of quality, although the product is probably not 100% equal to that produced in Finland. The brand is Finnish but cannot be competitive if manufacturing in Finland, explores the low production costs in China though in fact contribute to the development of Finland (where the higher value-added and technology). China becomes just cheap labor while Finland develops best technology on mobile phones".(Interviewee n. 22)

Table 7 – Image: Mobile phone Apple Iphone – Designed in California – Assembled in China

Question	What do you think about the brand ?	What do you think about the quality of the product?	What do you think about the products of this brand ?	Does the COO information of the product influence your opinion about the brand?	Does the COO information of the product influence your opinion about the quality of the product?
Focus	Brand image	Perceived Product Quality	Influence of this image on the products of the brand	COO influence on brand image	COO influence on product quality
1	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
2	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
3	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
4	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
5	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
6	<i>Positive</i>	<i>Positive</i>	Indifferent	Negative	Indifferent
7	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
8	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
9	<i>Positive</i>	Negative	Indifferent	Indifferent	Negative
10	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
11	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
12	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
13	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
14	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
15	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent

16	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
17	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
18	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
19	Indifferent	Indifferent	Indifferent	Indifferent	Indifferent
20	Indifferent	Indifferent	Indifferent	Indifferent	Indifferent
21	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
22	<i>Positive</i>	<i>Positive</i>	Indifferent	Negative	Negative
23	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
24	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Negative

Table 8- Image: Mobile phone Nokia – Designed in Finland – Made in China

Question	What do you think about the brand?	What do you think about the quality of the product?	What do you think about the products of this brand?	Does the COO information of the product influence your opinion about the brand?	Does the COO information of the product influence your opinion about the quality of the product?
Focus	Brand image	Perceived Product Quality	Influence of this image on the products of the brand	COO influence on brand image	COO influence on product quality
1	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
2	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
3	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
4	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
5	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
6	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
7	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
8	Negative	Negative	Indifferent	Negative	Negative
9	<i>Positive</i>	<i>Positive</i>	Negative	Indifferent	Negative
10	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
11	<i>Positive</i>	<i>Positive</i>	Indifferent	Negative	Negative
12	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
13	<i>Positive</i>	Indifferent	Indifferent	Indifferent	Indifferent
14	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Negative
15	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Negative
16	Indifferent	Negative	Negative	Negative	Negative
17	Indifferent	<i>Positive</i>	Indifferent	Indifferent	Indifferent
18	<i>Positive</i>	<i>Positive</i>	Indifferent	<i>Positive</i>	<i>Positive</i>
19	Indifferent	Indifferent	Indifferent	Indifferent	Indifferent
20	Indifferent	Indifferent	Indifferent	Indifferent	Negative
21	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
22	Indifferent	<i>Positive</i>	Indifferent	Negative	Negative
23	<i>Positive</i>	Negative	Indifferent	Indifferent	Indifferent
24	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent

Finally, it can be said that overall, COO image is not significantly relevant in the case of Apple Iphone, but has a low importance in the example of Nokia phones for perceived product quality. These findings can be considered in line with Pharr (2005), which suggests COO image operates through a brand-based construct instead of direct influence on product quality evaluation and purchase intentions. Therefore, COO effect might be moderated by brand image.

5.8.2. Prada branded products: bag and knitwear

Data collected regarding Prada branded bag and knitwear product examples illustrates more significant COO influence on perceived product quality for products with the same brand and COD. This way, it might be assumed that luxury fashion brands, although representing prestige-oriented brands, are likely to be more affected by perception of (in) authenticity than prestige-oriented brands of mobile phones. This idea can be related to the positive image of electronics produced in China.

Interestingly, the product knitwear Made in Peru was indicated to be slightly more affected by the negative influence of the COM. Nevertheless, this influence was attributed to the possibility of being a counterfeit product for both kinds of products.

“I cannot say that influences on the brand image, but seeing the way the product is exposed it seems a counterfeit product”. (Interviewee n. 18)

“It may have been a forgery of the brand”. (Interviewee n. 21)

Still, regarding to the likelihood of counterfeit products, two respondents emphasize the importance of the retail to avoid misleading:

“The brand is very good, depending on where it was purchased think it's really good”. (Interviewee n.10)

“I believe that depending on the origin it can characterize a counterfeit product ... but I trust in retailers. A serious dealer would not put his name at risk selling products of dubious origin/quality”. (Interviewee n. 23)

Some comments about Peru show that the country seems to benefit from a positive COO image and a good COM fit for knitwear:

“It must have a good quality because Peru has a good work for clothing”. (Interviewee no. 2)

“Quality good, because the knitting from Peru are of great quality”. (Interviewee no. 6)

Despite likelihood of piracy, the other main reasons reported for negative influence of COO on perceived product quality were incongruence and prestige reduction:

“The location of manufacturing removes the prestige and leads to a poor quality”. (Interviewee no. 8)

“A product manufactured in a distant place of origin of the brand, may not have the same quality product in the country in which it was created”. (Interviewee no. 9)

“As I have brand awareness, I know that it is a globally recognized brand and I know that even produced outside their country of origin, their professionals and designer are the best in the market. The brand is internationally recognized and its quality is evidenced by mastery of their products, but, as I said earlier, I think for some luxury goods like clothing is a bit disappointing to see that their production is elsewhere instead of the country of origin”. (Interviewee no. 18)

It can be observed that COO image has slightly stronger influence on brand image for both products than showed toward mobile phones. On the other hand, COO image has very low influence in other products of the brand, for both Prada products. Once again, the main reasons reported for weak influence of COO on quality perception were based

on the importance of the brand and its quality controls and acceptance on shift manufacturing in order to achieve cost reduction.

“The COO has no influence because the brand dictates the quality more than the country of origin”. (Interviewee no. 2)

“It looks good and is signed by a famous designer; they were not going to alienate customers by offering poor quality products”. (Interviewee no. 5)

“When I see Made in Peru, I think the brand tries to reduce the high costs of producing in Milan and avoids producing in China. One option was to seek other low-cost countries like Peru for manufacturing”. (Interviewee no. 22)

Table 9 - Image: Prada leather bag – Made in China

Question	What do you think about the brand?	What do you think about the quality of the product?	What do you think about the products of this brand?	Does the COO information of the product influence your opinion about the brand?	Does the COO information of the product influence your opinion about the quality of the product?
Focus	Brand image	Perceived Product Quality	Influence of this image on the products of the brand	COO influence on brand image	COO influence on product quality
1	<i>Positive</i>	<i>Positive</i>	Indifferent.	Indifferent.	Indifferent.
2	<i>Positive</i>	<i>Positive</i>	Indifferent.	Indifferent.	<i>Positive</i>
3	<i>Positive</i>	Indifferent.	Indifferent.	Indifferent.	Indifferent.
4	Indifferent.	Indifferent.	Indifferent.	Indifferent.	Indifferent.
5	<i>Positive</i>	<i>Positive</i>	Indifferent.	Indifferent.	Indifferent.
6	<i>Positive</i>	<i>Positive</i>	Indifferent.	Indifferent.	<i>Positive</i>
7	Indifferent.	Indifferent.	Indifferent.	Indifferent.	Indifferent.
8	<i>Positive</i>	<i>Positive</i>	Indifferent.	Negative	Negative
9	Indifferent	Negative	Indifferent	Indifferent	Negative
10	<i>Positive</i>	<i>Positive</i>	Indifferent.	Indifferent.	Indifferent.
11	Indifferent.	Indifferent.	Indifferent.	Indifferent.	Indifferent.
12	<i>Positive</i>	<i>Positive</i>	Indifferent.	Indifferent	Negative
13	Indifferent.	Indifferent.	Indifferent.	Indifferent.	Indifferent.
14	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
15	Indifferent.	Indifferent	Indifferent	Indifferent	Indifferent
16	Indifferent.	Indifferent	Indifferent	Indifferent	Indifferent
17	<i>Positive</i>	<i>Positive</i>	Negative *	Negative *	Negative *

18	<i>Positive</i>	<i>Positive</i>	Negative	Negative *	Negative *
19	Indifferent	<i>Positive</i>	Indifferent	Indifferent	Indifferent
20	Indifferent	Indifferent	Indifferent	Indifferent	Negative
21	Indifferent	Indifferent	Negative *	Negative	Negative *
22	Indifferent	Indifferent	Indifferent	Negative	Negative
23	Indifferent	Indifferent	Indifferent	Negative	Negative
24	Indifferent	Indifferent	Indifferent	Negative	Negative

* based on likelihood of counterfeit products

Table 10 - Image: Prada Knitwear – Made in Peru

Question	What do you think about the brand?	What do you think about the quality of the product?	What do you think about the products of this brand?	Does the COO information of the product influence your opinion about the brand?	Does the COO information of the product influence your opinion about the quality of the product?
Focus	Brand image	Perceived Product Quality	Influence of this image on the products of the brand	COO influence on brand image	COO influence on product quality
1	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
2	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
3	<i>Positive</i>	Indifferent	Indifferent	Indifferent	Indifferent
4	<i>Indifferent</i>	Indifferent	Indifferent	Indifferent	Indifferent
5	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
6	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
7	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
8	Indifferent	Indifferent	Indifferent	Negative	Negative
9	Indifferent	Negative	Indifferent	Indifferent	Negative
10	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
11	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
12	<i>Positive</i>	<i>Positive</i>	Indifferent	<i>Positive</i>	Indifferent
13	<i>Positive</i>	Indifferent	Indifferent	Indifferent	Indifferent
14	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Negative
15	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Negative
16	Indifferent	Negative	Negative	Negative	Negative
17	Indifferent	<i>Positive</i>	Negative	Negative	Negative
18	<i>Positive</i>	<i>Positive</i>	Indifferent	Negative	Negative*
19	<i>Indifferent</i>	<i>Positive</i>	Indifferent	Indifferent	Indifferent
20	Indifferent	Normal.	Indifferent	Indifferent	Indifferent
21	Negative	Negative	Negative	Negative	Negative*
22	Indifferent	Indifferent	Positive	Indifferent	Negative
23	<i>Positive</i>	<i>Positive</i>	Indifferent	Indifferent	Negative*
24	<i>Positive</i>	Indifferent	Indifferent	Indifferent	Indifferent

* based on likelihood of counterfeit products

In this example of products, any respondent mentioned COD as an indicator of product quality. However, it must be acknowledged that the high incidence of concern related to piracy by the interviewees might be due to incongruence between COD and COM. In other words, it can be assumed that products Prada designed and manufactured in Italy would probably help customers to believe in authenticity of the products.

“I sometimes ask myself: Can we believe it is true when the brand reports on the label that a product has been conceived in the country of origin of the brand/design?” (Interviewee no. 21)

Finally, it can be said that overall, COO image is significantly relevant in the case of Prada fashion products made in China and Peru. Notwithstanding, brand image moderates this relevance and has a significant influence on perceived product quality as well. A summary of the data collected through the 24 interviews conducted for this study can be visualized on Table 11.

Table 11 – Summary of the interviews.

Interviewee	Gender	Age	Overall relevance of COO effects on product quality	Reasons for COO relevance /non relevance	Brand image influence on quality	Importance of congruity between COD and COM	Influence of globalness	COM image/fit influence on product quality	COD image relevance	Animosity	Typicality	COM influence on brand image
1	Male	20	Very low	-	Very high	-	High	-	Very high	-	Regular	-
2	Male	19	Very low	Ethnocentrism	Very high	-	High	-	Very low	Low	Low	-
3	Male	18	-	Brand	Very high	-	High	-	Very low	Very low	Regular	-
4	Male	24	-	Brand	Very high	-	High	-	-	-	-	-
5	Female	25	-	Brand	Very high	-	High	-	-	-	Regular	-
6	Female	20	Low	Counterfeits	High	Regular	High	High	Low	-	-	Low
7	Male	29	-	Mass production Globalization	High	-	High	-	-	-	High	-
8	Male	23	-	Prestige	High	-	Regular	Low		Low	Low	Low
9	Male	18	Regular	Country fit COM image	High	Regular	-	High	Regular	High	Low	Low
10	Female	25	-	Cost x benefit	High	-	High	High	Low	Low	Low	-

11	Female	30	Very high	Ethnocentrism Ethic Quality	Regular	High	Low	Very high	Regular	Very high	Regular	Low
12	Male	30	Low	Cost x benefit	Low	-	-	Low	-	Low	Regular	-
13	Female	29	Low	Brand Globalization	Very high	Very high	High	Regular	Regular	Low	Regular	-
14	Male	30	Low	Typicality	High	-	Low	Low	Very high	-	High	-
15	Male	29	Low	Standardization Globalness	High	-	High	High	-	High	Regular	-
16	Male	22	High	Ethnocentrism Quality		High	High	High	-	High	High	High
17	Female	23	Very low	Globalness	High	-	High	Very low	-	-	-	-
18	Male	26	Very high	Authenticity Quality Typicality	High	High	High	Low	Very high	-	High	-
19	Female	25	-	Brand	High	-	Regular	-	-	-	-	-
20	Male	27	Low	Fit Typicality	Very high	-	-	-	Low	-	High	-
21	Male	16	Low	Cost x benefit Fit Quality	Regular	-	-	Low	-	Low	Low	-
22	Male	26	High	Ethics Ethnocentrism	Very high	-	High	Very high	Low	High	High	-
23	Male	29	Low	Counterfeits	High	-	High	Low	-	-	-	-
24	Female	28	Very low	Brand	Very high	-	-	Low	Very low	Low	Regular	-

6. SUMMARY AND CONCLUSIONS

This study aimed to provide a better understanding of how young consumers in an emerging market as Brazil perceive the effect of COD and COM on brand image and on quality evaluation of global branded products. Involving both dimensions of COO, this research focused on understanding how they can be managed in an optimal combination generating the highest benefit for companies as well. Specifically, the research question to be answered was: How the joint effect of COD and COM is perceived by young Brazilian consumers when evaluating quality of a global branded product?

Pattern matching analysis comparing the proposed conceptual model of the study to the data analysis discussed in this chapter resulted in some changes to the initial theoretical framework presented.

Firstly, the mediators and moderators composing the initial framework were found to be in line with the study findings. Based on the data analysis of this study, the relevant aspects mediating the joint effect of COD and COM can be considered: animosity, congruity, typicality and fit. On the other hand, brand image and perceived globalness were found to moderate the joint effect of COM and COD on product quality of global branded products.

Secondly, according to the universal drivers and embeddedness of animosity proposed by Hoffmann, Mai, and Smirnova (2011) the constructs *Consumer Ethnocentrism*, *Perceived Threat*, *Antiethical political attitude* and *negative personal experience* were added to the revised model. This complement was based on the findings of this study, as Brazilian customers participating on this study appear to show these specific components of animosity when evaluating global branded products.

Finally, the moderators *Perceived Value* (Zeithaml, 1988), *Price x quality relationship* (Czinkota, Marinova and Samli, 2011) and *Perceived Product Authenticity* (contrasting perceived counterfeit products) were also included to the model.

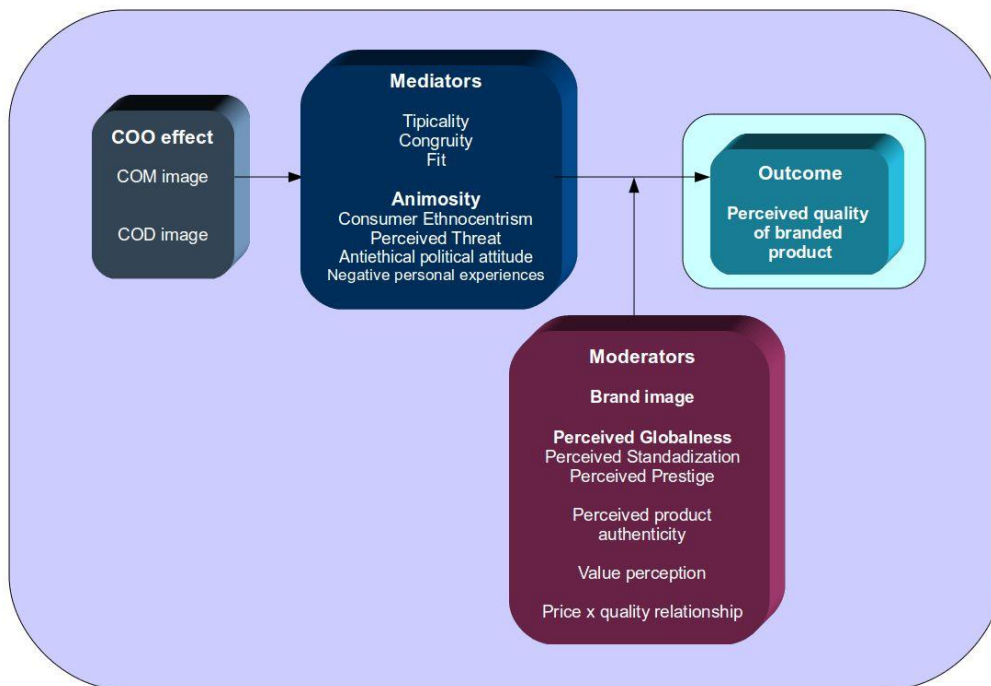


Figure 11 – Revised theoretical framework for the joint effect of COM and COD.

The conducted interviews revealed various factors associated with COO effects on global branded products. Overall, it is possible to observe two groups of customers between the participants of this study. The first group is composed by consumers affected by price who focus on the cost versus benefit relationship when evaluating product quality of global brands. This group seems to consider COO information less relevant, mainly because they are heavily influenced by brand image and globalness. These customers also appear to accept better products manufactured in China (and other developing countries such as Peru) as they consider it as a normal shift for brands willing to compete in a global market. This strategy represent low costs and consequently, might be the possibility for some of the customers to afford products

from global brands which they would not be able to access if manufactured in the country-of-design/brand.

The second group is composed by customers more aware of the ethic problems and economic threats to Brazil presented by rapid growing countries such as China. This group seems to give a little higher importance to COO and use it as a stronger cue for product quality evaluation. However, globally, this influence of COO image seems to occur more toward purchasing than toward product quality evaluation, mainly because of consumer ethnocentrism attitudes. In fact, within this second group, animosity feelings were mentioned with more frequency. The dimensions of animosity that were found to influence Brazilian customers perceptions for this study were related mainly to consumer ethnocentrism, perceived threat, antiethical political attitude and negative personal experience (Hoffmann et al, 2011). Notwithstanding, animosity feelings were not found to have significant influence on COD for the products of this study.

The fact that Brazil is an emerging economy and many customers are starting to have an opportunity to buy global products from recognized brands seems to speak loud than the country-of-manufacturing image. Many customers care about COO and ethics, and think quality perception is reduced when a product comes from China, however, the purchasing intention remain focusing on the cost x benefit relationship. The opportunity to possess products which insert customers in a higher social status level and the prestige associated to the acquisition of global recognized brands seems to be considered an important perceived value on product evaluation by Brazilian customers. In accordance, previous research reported that in emerging markets, customers tend to pay more attention to the cost versus benefit relationship, influenced by perceived value and they are also more sensitive to price because of their relatively lower purchasing power (Brouthers & Xu, 2002). It is possible that this kind of customers from emerging markets will accept products from other emerging markets such as China, if the perceived quality is considered similar but the prices are lower than those manufactured in developed markets (Sharma, 2001: 290).

According to the theory of cognitive consistency (Heider, 1946; Osgood & Tannenbaum, 1955) and to Haubl and Elrod (1999) congruence between brand name and COM seems to influence customers confidence about the product's overall quality and consistency between COM and COD was pointed to be desirable by the respondents of this study. Moreover, in this study congruity between COD/perceived brand origin and COM seems to imply a positive impact on initial product quality perceptions (Haubl and Elrod, 1999).

Contrary to some studies (Tse & Gorn, 1993; Ahmed & d'Astous, 1996) 3) reporting country-of-origin cue to be a more enduring factor in consumer product evaluation than brand name, a global brand name seems to compensate a negative country of origin cue, for many cases among the interviewees of this study. This idea is in line with Phau and Prendergast (2000) study.

Global brands were confirmed to carry prestige and offer greater value, almost independently of their COM, as suggested by Motameni and Shahrokhi (1998) and Holt et al (2004). The perceived standardization was showed to have a great impact on product quality evaluation of global brands and seems to moderate the role of COO image. Additionally, addressing the consumer preference for global brands based on higher quality and prestige suggested by Holt et al. (2004), it appears brand image associated with its prestige in some cases is even more important than perceived quality for young Brazilian customers when evaluating global branded products. Moreover, contrary to the findings of Holt et al. (2004) which suggested that the drivers of global brands choice, including quality signal and global myth appear to have less impact on Brazilian consumers, the quality perception of global branded products was voiced high by the participants of this study. However, the proposed growing nationalism indicated by Holt et al. (2004) was confirmed by the interviews.

Yet, this study illustrate similar findings reported by Holt et al. (2004) regarding to a significant shift in consumer's perceptions of quality, which is less attached to COO and more associated to global presence. Therefore, country-of-origin effects are still

relevant, “but only one-third as strong as the perceptions driven by a brand's 'globalness'” (Holt, Quelch and Taylor, 2004: 71).

Although the literature of COO illustrates that a change on the manufacturing location, can affect negatively the brand image and quality perception (Thakor & Katsanis, 1997; Han & Terpstra, 1988), the results of this study revealed that manufacturing shifts to less developed countries tend to be accepted as a normal trend for companies willing to compete in a global economy. These findings converge also with previous research indicating that the presence of a strong brand name may counteract the negative effect of shifting production to an unfavorable country, such as a developing nation (Johansson and Nebenzahl, 1986).

As proposed by Essoussi & Merunka (2007), the results of this study confirm that brand image act as a signal of product quality and, for that, its dimensions have to be considered on the overall evaluation of global branded products. Furthermore, in line with Han (1989, p. 223) data analysis of this study suggest that brand name may act as a more powerful summary construct than the COO cue. Hence, COO effects might be more relevant when the brand is not known (Kreppel & Holtbrügge, 2012), specially because part of the respondents mentioned to check COO information for curiosity.

In accordance to Pharr (2005), COO effect on Brazilian customers perceptions seems be moderated by brand image. In addition, brand origin association (Thakor & Lavack, 2003) seems to be used as a stronger basis for assessing product quality than COD image. The use of “Designed in” cue of COO can support the country image branding. However, the Brazilian costumers who participated on this study showed in general more sensibility to COO of the brand than to COD.

It was found a heightened consumer global awareness and overall acceptance of the increasing prevalence of hybrid products in the marketplace, which in turn seems to help to reduce the influence of a negative COM image on product quality evaluation (Chao, 1998).

Considering Nokia and Apple, the results of this study suggest that function-oriented and prestige-oriented brands might be differently affected by COO (Park et al, 1991). If observing Nokia as a function-oriented brand and Apple as a prestige-oriented brand, influence of COM image was found to be slightly stronger for function-oriented brands. However, if considering Prada as a prestige-oriented brand it seems that for luxury fashion products, the COM image might be strongly moderated by perceived authenticity of the product.

Overall, the participants of this study confirmed that certain product categories and brands are strongly related to their COO (Kotler & Gertner, 2002; Tseng & Balabanis, 2011), this findings were considered to confirm the mediating influence of product and brand typicality on product quality evaluation (Essousi & Merunka, 2007).

Countries were found to differ with respect to their design and manufacturing capabilities, according to the concept of fit (Chao, 1998, Essousi & Merunka, 2007). Nevertheless, it was possible to identify that the standardization of production techniques widens the range of countries considered able to manufacture different products, and consequently gives a broader perspective to the concept of fit.

6.1. MANAGERIAL IMPLICATIONS

Considering that country of origin may still influence consumer behavior, this influence should be reflected in marketing strategies that global companies develop. This study might support marketers in their branding strategies to improve or develop their labeling practices and policies to convey country-of-origin information. Managers should consider alternatives to counteract perceived counterfeit product effects on bi-national products manufactured in China. This study is also relevant for global firms considering sourcing in developing countries and might have implications for retailers importing from China under global branded labels as well. The findings of this study suggest to

global brands operating in the Brazilian market interested in manufacturing in less developed nations to focus on brand name and country-of- origin of the brand.

As companies become more global, they must possess a thorough understanding of the attitudinal and behavioral characteristics of emerging consumers markets, because what is known about consumers in one part of the world is not applicable to consumers in other parts. Investigating the COO phenomenon in emerging economies can provide important implications for foreign companies/manufacturers in terms of branding, relocation, and communication strategies, as well as for emerging markets' policymakers who want to establish local design and manufacturing competencies. (Essoussi & Merunka, 2007)

As already suggested by Hoffmann et al. (2011), multinational companies should be aware of the existence of a potential antipathy toward the COO (COM and COD) of their products when entering new market. This is also the case of Brazil, where best results might be achieved if marketing managers take into account alternatives to overcome animosity and its constructs, such as consumer ethnocentrism. It might be that managers evaluating expanding their activities to the Brazilian market decide to rethink their strategy. However, as observer by Klein et al. (1998) hybrid products can provide greater flexibility to managerial strategy, as they create different possibilities to display the origins of the product to avoid this animosity effect. Although globalization can blur the COO effect on customers, it also support managers providing greater control over deciding the countries they want to associate with their products (Essoussi & Merunka, 2007).

According to Motameni and Sharokhi (1998: 278) global brands seeking to build value for their corporation and also for their global consumers, should leverage a strong brand by understanding how the consumers in each country evaluate their brand options, how they make brand trade-off decisions and which are their different needs. This way, marketing managers of global brands operating in the Brazilian market must meet consumers' expectations in terms of product quality and should emphasize the prestige

and standardization associated to the brands on their promotion (e. g advertising, packaging, labeling) in order to counteract COO negative effects. The dynamic nature of consumers' perceptions of quality suggests that managers should be able to observe and control the changes on product quality evaluation through the implementation of marketing techniques which promote the desired quality perceptions. (Zeithaml, 1988).

This study was theoretically limited to the analysis of country-of-design (COD) and country-of-origin of manufacturing (COM), acknowledging the existence of other decompositions for country-of-origin evaluation such as country-of-parts (COP). However, as the focus of this paper was on understanding COO effects based on cues available to customers in labels or pack and, country-of-parts is usually not displayed by the companies, this decomposition of COO was not the focus of the analysis. This way, this study applied a distinction on COD and COM overall images, and researched their effects on the perception of the customers. Future research including different decompositions of COO information should be relevant.

As country-of-origin effect varies according to different kinds of products (Bilkey & Nes, 1982) and consumers are also likely to vary on their perceptions of quality of products from different countries and for different categories of products from each country (Pappu & Quester, 2010), specific market research should be conducted with Brazilian customers for companies intending to enter Brazilian market. The research findings presented here should function as an initial understanding of young Brazilian customers' behavior and attitudes toward global brands. However, as an exploratory study it was not intended to exhaust the COO effects possibilities within the Brazilian market. More research is necessary in order to identify possible socio-demographic variables that can determine the level of relevance of country-of-origin among young Brazilian customers. Particularly, future studies should explore factors that may moderate or mediate the relationship between social category and COO effects on product evaluation.

Finally, although data collected was provided by customers from an emerging market, our study is limited to Brazil, which cannot be a representation of other emerging markets. It is acknowledged that theoretical frameworks developed in base of a sociocultural context might not be applicable to other contexts, specifically the model of this study might not fit all other developing countries. For that, could be important to replicate and extend this study to other emerging markets. As already discussed, generalization from the sample used might be limited and research in other regions in Brazil should be conducted as well.

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APPENDIX 1 - SUGGESTED QUESTIONS FOR INTERVIEWS

Age

Occupation

Educational background

Place of birth / City of residence

First part – Questions

1. Do you consider important to the country of origin of products of multinational brands it acquires? Why?
2. Do you usually check the COO of a product? If yes, how? Do you consider necessary/important the COO of a product?
3. If you do not find COO information visible do you look for it? If yes, in which kind of products do you normally do?
4. How do you feel if you are evaluating a product and try to find out where it was made but did not find this information? This situation has ever happened with any product? Explain.
5. If you already know the brand, do you check the country of production? Why?
6. Have you ever changed your opinion about the quality of a global branded product after checking its origin? If yes, explain how it happened and what you thought.
- 7 . Have you ever seen a product from a global brand that had been designed in the country of origin of the brand but produced in another country? If yes, what was your perception about product quality?
8. Have you ever faced a situation when just the country of origin information of "Design" was displayed in a product, but there was no COM information?
9. How do you perceive a brand that uses only COD information and omits COM?
10. Do you believe that global brands offer prestige? And quality? And what if this product is "Made in China"?
11. Do you have a negative perception of any country of origin?

12. What situations come to your mind when you think about "made in" information?
13. What kind of products and countries come to your mind when thinking of a typical product or brand?
14. What do you think of "Made in China" when used by a global brand?
15. How much importance do you give to the brand, to COD and to COM of a product?
- 16 . Do you believe that your perception of a global brand can change when you discover that the product was produced in another country (other than the country where it was designed)?

Second part – Images

17. What do you think about this brand?
18. What do you think about the quality of this product?
19. What do you think about other products from this brand ?
20. The COO information of the product influence your opinion about the brand? If yes, how? If not, why?
21. The COO information of the product influence your opinion about the product?
22. Discuss how you feel about the products presented.
23. Do you have something against the country of design or production of these products?
24. How do you see China as a producer of these products?

APPENDIX 2 – IMAGES OF PRODUCTS/BRANDS EXAMPLES



APPENDIX 3 - METHODOLOGY USED IN COO STUDIES 1994-2003 (DINNIE, 2004).

AUTHOR	METHODOLOGY USED
Parameswaran, R. and Pisharodi, R.M. (1994)	Quantitative
Badri, M.A., Davis, D.L. and Davis, D.F. (1995)	Quantitative
Shaffer, T.R. and OHara, B.S. (1995)	Quantitative
Chung, K.K. (1995)	Quantitative
Ahmed, S.A. and d'Astous, A. (1995)	Quantitative
Harrison-Walker, L.J. (1995)	Quantitative
Lantz, G. and Loeb, S. (1996)	Quantitative
Häubl, G. (1996)	Quantitative
Agarwal, S. and Sikri, S. (1996)	Quantitative
Niss, H. (1996)	Qualitative
Zhang, Y. (1996)	Quantitative
Zhang, Y. (1997)	Quantitative
Bruning, E.R. (1997)	Quantitative
Zain, O.M. and Yasin, N.M. (1997)	Quantitative
Lim, J.-S. and Darley, W.K. (1997)	Quantitative
Schaefer, A. (1997)	Quantitative
Burgess, S.M. and Harris, M. (1999)	Quantitative
Barnabas, A.A. and Elimimian, J.U. (1999)	Quantitative
D'Astous, A. and Ahmed, S.A. (1999)	Quantitative
Hadjimarcou, J. and Hu, M.Y. (1999)	Quantitative
Leonidou, et al (1999)	Quantitative
Knight, G.A. (1999)	Quantitative
Lee, D. and Ganesh, G. (1999)	Quantitative
Chinen, K., Jun, M. and Hampton, G.M. (2000)	Quantitative
Gurhan-Canli, Z. and Maheswaran, D. (2000a)	Quantitative
Knight, G.A. and Calantone, R.J. (2000)	Quantitative
Gurhan-Canli, Z. and Maheswaran, D. (2000b)	Quantitative
Mohamad, O. et al (2000)	Quantitative
Webb, D. and Po, K. (2000)	Quantitative
Kent, H.A. and Walker, R.H. (2000)	Qualitative
Piron, F. (2000)	Quantitative
Peng, Z., Lawley, M. and Perry, C. (2000)	Quantitative
Teas, R.K. and Agarwal, S. (2000)	Quantitative
Byeong, J.M. and Subhash, S.C. (2001)	Quantitative
Lotz, S.L. and Hu, M.Y. (2001)	Quantitative
Pecotich, A. and Rosenthal, M.J. (2001)	Quantitative
Silva, R.M.V.D., Davies, G. and Naude, P. (2001)	Quantitative
Ahmed, S.A., d'Astous, A. and Eljabri, J. (2002)	Quantitative
Ahmed, Z.U. et al (2002)	Quantitative
Goldberg, M.E. and Baumgartner, H. (2002)	Quantitative

Hui, M.K. and Zhou, L. (2002)	Quantitative
Kaynak, E. and Kara, A. (2002)	Quantitative
Klein, J.G. (2002)	Quantitative
Olsen, S.O. and Olsson, U.H. (2002)	Quantitative
Hui, M.K. and Zhou, L. (2002)	Quantitative
Mort, G.S. and Duncan, M. (2003)	Quantitative
Orbaiz, L.V. and Papadopoulos, N. (2003)	Quantitative
Zhou, L. and Hui, M.K. (2003)	Quantitative