When being international is worth it: The effect of a retail brand’s international presence on consumer attitudes

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ARTICLE DETAILS

ABSTRACT

A number of academic studies have investigated the "country-of-origin effect", i.e., the influence of a product’s country of origin on the attitudes of consumers. It is known that countries with a higher level of socioeconomic development generate more favorable attitudes towards their goods, and that this influence is moderated by the degree of consumer involvement with the product category. Most previous studies have investigated mainly tangible products, however, this study examines the country-of-origin effect for services using an unexplored and distinct approach: the presence of a brand in various cities across the world as an advertising appeal, without explicitly mentioning the country of origin. Specifically, we create a scenario in which two new retail brands in product categories with low and high consumer involvement are established in Brazil, and the presence of these products in cities of developed countries (vs emerging) is mentioned. The results show that their presence in developed (vs emerging) cities has a more positive effect on purchasing intent, attitudes as well as the perceived success for the high-involvement category (clothing store), when compared to the low-involvement category (supermarket). This study contributes to the marketing literature by demonstrating that presence in developed cities can have the same effect on consumer attitudes as the communication of the country of origin, and that this effect is moderated by the degree of consumer involvement with a category.

1. INTRODUCTION

With the growth of international trade and globalisation of production, a large volume of academic studies have investigated the impact of the "country-of-origin effect", which refers to the influence that a country’s manufactured products has on the attitudes and behaviour of consumers (MARTIN and EROGLU, 1993). The country of origin is an attribute that customers consider when evaluating the quality of a product and a factor that influences purchasing behaviour (AHMED et al., 2004; NEBENZAHL; JAFFE, 1997).

Previous studies (ERICKSON, JOHANSSON, CHAO, 1984; HAN, 1989; PAPADOPULOS; HESLOP, 2002; PAPPU, QUESTER, COOKSEY, 2006) have concluded that the country-of-origin effect is powerful, whilst others argue that this effect is not so important and may be supplanted by other extrinsic and intrinsic product attributes, such as brand, price and performance (HAN, 1989; PIRON, 2000). Consumers often create specific perceptions about products based on a country’s image and its tradition in the manufacture of certain goods (AGRAWAL; KAMAKURA, 1999; AHMED et al., 2004; KNIGHT; CALANTONE, 2000). Consumers who have an formed idea about the tradition and expertise of a country in a given category may use this information to evaluate goods and services from these locations, regardless of specific attributes (LI; WYER, 1994) or their level of familiarity (LAROCHE et al., 2005).

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The cost, quality and availability of productive resources in different nations of the globe vary widely, as well as the overall level of development of their economies and specific sectors (PECOTICH, PRESSLEY, ROTH, 1996). Thus, buyers seek products that are the best origin in terms of quality, expertise and tradition. It can be said that countries with higher levels of socioeconomic development transmit to internal and external consumers a more favourable image for locally manufactured products and services than lesser developed countries (HAMIN; ELLIOTT, 2006). In general, consumers associate companies and products of developed countries with laws and rules that ensure contractual obligations and reduce uncertainties, as well as a better quality control of produced or exported goods and services (JIMÉNEZ; SAN MARTÍN, 2012). In emerging economies, the trust based in institutions is usually smaller, and the companies themselves need to generate confidence in consumers when they try to establish themselves on the international stage (JIMÉNEZ; SAN MARTÍN, 2012).

The marketing and international business literature has given great emphasis to the country-of-origin concept in relation to tangible products, but far less attention has been paid to the concept in relation to services. For example, Bilkey and Nes (1982) evaluated 25 studies on the country of origin, none of which examine the phenomenon from the point of view of services. Peterson and Jolibert (1995) examined 52 studies on the country of origin, also none of which considered supplementary services.

Javalgi, Cutler and Winans (2001) examined marketing and international business journals published over a period of 20 years, searching for country-of-origin studies that focus on services. They found 19 studies focusing on services that were categorised as complementary services for products (guarantees, for example); comparative studies of services in different countries and cultures; and studies specifically on services (consumer and B-to-B). The authors (2001) conclude that individuals use the country of origin to evaluate services (in the same way as products), that is, when the brand is not well known and when the origin country is developed, this information becomes more relevant. In our literature review, we found a large number of studies that investigated the country-of-origin effect in services; some examples are Ferguson, Dadzie, Johnston (2008), Meng, Nasco, Clark (2007) and Nijssen and Van Herk (2009).

The objective of this study is to contribute to knowledge on the country-of-origin effect in the context of retail services, investigate an unexplored approach in marketing literature, distinguish some important aspects of the country-of-origin effect and the use of presence in various parts of the world as an advertising appeal, without explicitly mentioning the country of origin. The name that we give to this phenomenon is the effect of a brand’s international presence on consumers’ attitudes. We define international presence as the information with which a brand is marketed or distributed in several countries. This type of communication tactic is already well practiced by brands in the luxury market, who often mention the international reach of a brand in their advertising. For example, in one of its advertisements, the Sofitel hotel brand has the following slogan: “Sofitel: from Paris to New York, Beijing to Cairo from Amsterdam to Rio de Janeiro, life is magnificent around the world”. A similar advertising appeal was used by cosmetic (Helena Rubinstein), jewellery and watch (H Stern, Rolex) brands, and even by brands in the mass market (“Avon International Fragrances: the sophistication of New York, the glamour of Hollywood and the elegance of Paris”).

To achieve the study’s objective, we empirically investigate how the information of a retail service brand present in developed countries (vs emerging) has an effect on the attitudes of consumers. We also analysed the effect of the consumers’ degree of involvement with the category, their subjective perception of its importance, consumer interest in the product or category (ENGEL, BLACKWELL, KOLLAT, 1995) and its relations to the effect of the brand’s international presence (LIN; CHEN, 2006; LEE, YUN, LEE, 2005; MARTÍN; CERVINO, 2011). Specifically, we create scenarios where two new brands of low- and high-involvement retail services decide to settle in Brazil. When communicating with potential consumers, only the presence in cities of developed countries or cities of developing countries is mentioned. Our hypothesis is that the effect of a presence in cities of developed countries (vs emerging) will be higher for the high-involvement service than for the low-involvement. We therefore contribute to the marketing literature by demonstrating that presence in developed
locations can exercise the same effect on consumer attitudes as the communication of the country of origin.

We initially present the theoretical foundations that support the study’s hypothesis and then build an experimental study designed to test them. We then present the results, a discussion and final remarks.

2. LITERATURE REVIEW AND DEVELOPMENT OF HYPOTHESES

2.1 Country of Origin’s Image

Much of the academic research demonstrates that the origin of a product acts as a marker of quality (HAN, 1989; LI; WYER, 1994), affecting the value and risk perceived, the propensity to purchase (LIEFELD, 2004) and the disposition to pay the product’s price (KOSCHATE-FISCHER, DIAMANTOPOULOS, OLDENKOTTE, 2012). The meta-analysis conducted by Peterson and Jolibert (1995 *apud* BOSE; PONNAM, 2011) reveals that the country-of-origin effect was able to explain 30% of the variance in perceptions of quality and reliability as well as a 19% variance of purchasing intention. The basic assumption of the country-of-origin effect is that it can trigger conceptions in consumer’s memory about the overall quality of products manufactured there, which are reflected in the perception of specific products and brands (BILKEY; NES, 1982; HONG; WYER, 1989; LEE; GANESH, 1998). This extrinsic information (as well as the brand and the price) can be more relevant to many consumers than intrinsic information related to the physical composition of the product, especially when little information is available (AHMED *et al*, 2004; EROGLU; MACHLEIT., 1989; HAN, 1989).

Country of origin can be defined as where a product is produced (LIEFELD, 2004), although the literature also mentions country design (where the product is designed, not only where it is manufactured) (GABRIEL and URIEN, 2006; PHARR, 2005); country brand, referring to where a brand was created (LIEFELD, 2004); or country of manufacture, where the product was assembled from parts from other countries (KNIGHT; CALANTONE, 2000; LIM; O’CASS, 2001). Conceptually, the idea has been increasingly used not only for the territorial origin of a product, but as a more complex construct, the image of the country in question (ROTH; DIAMANTOPOULOS, 2009).

Country image has been defined as the general view that consumers have for products originating therefrom, based primarily on their previous perceptions about the strengths and weaknesses of the national capacity in production and marketing (HAN, 1989; ROTH; ROMEO, 1992). However, country image should not be restricted to the field of marketing or a particular class of goods, but understood in more general and comprehensive terms that involve variables such as economic and political situations, history, relationships, traditions, degree of industrialisation and technological development and characteristics of the workforce (LEE; GANESH, 1998; VERLEGH; STEENKAMP, 1999). This information can come from various sources, starting with their own offered products and services that serve as clues about the quality level and technology employed (PAPADOPULOS, HESLOP, BAMOSSY, 1990). Other sources include pricing policies, advertisement, press releases, media, books and films that contribute to form perceptions about the people, culture, technological development and political situation of the countries (KNIGHT, SPRENG, YAPRAK, 2003).

Some scholars (BILKEY; NES, 1982; LI; WYER, 1994; PAPADOPULOS, HESLOP, BAMOSSY, 1990) suggest that the level of development of the origin country can influence the evaluation and preference for products. In general, products and services from more developed countries are perceived as less risky and higher quality than those from less developed nations (BILKEY; NES, 1982). Furthermore, other studies suggest that it is the tradition of production and marketing that can lead to a generalisation when evaluating brands and products associated with a country (AGRAWAL; KAMAKURA, 1999; LI; WYER, 1994; MAHESWARAN, 1994).

According to Jiménez and San Martín (2012), reputation and confidence in a global context are key factors when explaining the buying behaviour of imported products, as there is an association between trust in a country’s legal system and consumer confidence in brands and products from where they originated. The reputation of companies associated with a particular country of origin plays an important role in counterbalancing the problem of information asymmetry faced by consumers when they buy imported products (JIMÉNEZ; SAN MARTÍN, 2012).
Several authors (LAROCHE et al., 2005; PAPADOPOULOS, HESLOP, BAMOSSY, 1990; ROTH; DIAMANTOPOULOS, 2009) have proposed an explanation of how consumers mentally see countries using attitude theory. Fishbein and Ajzen (1975) define behaviour as a consistent predisposition to respond favourably or unfavourably to an object. Thus, attitude indicates beliefs (cognitive), emotions and feelings (affective) and the reactions or behavioural intentions (conative aspects) relating to the views held by people on certain countries that can better explain their evaluation and favourable or unfavourable responses (ROTH; DIAMANTOPOULOS, 2009). Papadopoulos et al. (1988, 1990) define beliefs about a country in terms of insight into the degree of industrial and technological development, and that affection is related to the fact that a person likes or dislikes the native people. In conative terms, the desire for interaction reflects the willingness of consumers to create economic ties with the country in question. The relationship between beliefs and fondness for a country and people’s behaviour in relation to products and where they originate is usually positive. This means that the better a country’s image, the greater the intention to purchase their products and vice versa, which is the most typical situation for developing countries (MONTESIONS, ROTH, DIAMANTOPOULOS, 2006).

2.2. Country of Origin’s image in the Service Sector

Most of the academic research on the effects of the country of origin’s image refers to tangible products, with few investigations completed for services. Javalgi, Cutler and Winans (2001) undertook a meta-analysis of the literature on the country of origin’s impact in services, concluding that the concept applies in a similar way to tangible products, and is more relevant when the brand is not well known or when there is not much information available. Lin and Chen (2006) investigated insurance and food services and identified a significant and positive effect of the origin country’s image during purchasing decisions, finding, as well, that this is different for different levels of consumer involvement. Bose and Ponnam (2011) and Ferguson, Dadzie and Johnston (2008) indicate a strong association between cultural products (entertainment and educational services) and the image or brand of a country. Pecotich, Pressley and Roth (1996) examined airlines and banks, and found differences in the perceived quality and evaluation of services when the country of origin is less or more developed.

Specifically in the case of retail services, Kabadayi and Lerman (2011) studied the moderating effect of trusting beliefs aroused by a retail brand on the country-of-origin effect when the country has a negative image, like China. Hu and Wang (2010) examined price differences for identical goods attributable to the country-of-origin retailer, concluding that price variations are based on the country’s brand value, which is conceptually similar to the concept of consumer products’ brand value. This is an effect of the type of stereotype (MAHESWARAN, 1994), not an effect due to objective (tangible or intangible) attributes (HU; WANG, 2010).

Bilkey and Nes (1982) suggest that the strength of the origin country’s image comes from its relation to quality and perceived risk along with the country’s level of development. Thus, products associated with a lesser developed country are perceived as riskier and lower quality than those from developed countries, even if the brand is strong and well known. For example, Salciuviene et al. (2010) analysed service brands that use names in a foreign language in order to be identified with the image of certain countries, and noted larger associations of hedonism, sophistication, pleasure and elegance in accordance with the country’s image (France, as opposed to Germany and the UK).

Berentzen et al. (2008) argue that in the case of a service company entering a foreign market, the perceived risks are even greater because of the intangibility of characteristics, perishability, heterogeneity and inseparability of services. These characteristics, combined with the lack of information and experience with the seller, lead consumers to use alternative quality indicators such as the country of origin, brand and guarantees. When the country’s image is negative, it cannot even be offset by additional indicators of quality, causing a barrier to entry. Reuber and Fischer (2011) argue that an origin country’s negative image only has great weight when it comes to riskier services.

Since a country’s image is proved to be an important construct for the service sector, one of the objectives of this study is to investigate whether the international presence of a brand, that is, the existence of a brand’s stores in countries with
different levels of socioeconomic development, influences consumers’ perceptions and attitudes in the country where a brand intends to establish. Drawing attention to the brand’s presence in iconic cities has been a commonly used tactic in the luxury sector. Jewellery brands, such as Rolex, Tiffany and H.Stern, cosmetic brands like H.Rubinstein and luxury hotels and resorts like Hilton and Plaza, use this information to suggest to its customers that the brand has a quality and acceptance that goes beyond the boundaries of the country of origin. Is this type of information relevant in the case of mass-market services, such as supermarkets and clothing and accessories shops? This is one of the issues that we decided to investigate.

2.3. Consumer involvement and its effect on the buying process

Engel, Blackwell and Kollat (1995) define involvement as the subjective perception of the importance of a product or the individual's interest in this product. Celsi and Olson (1988 apud LEE, YUN, LEE, 2005) define involvement as the subjective feeling of personal relevance in relation to an object, which affects the attention and understanding dedicated to the processing of information relating to it. For Blackwell, Miniard and Engel (2005), the involvement of the consumer depends on the degree of personal relevance, that is, the greater the motivation to satisfy a need, the greater the consumer’s involvement with potential sources of satisfaction and the greater the effort to try to obtain it. When an individual considers buying a product that has a high degree of involvement they tend to carefully evaluate the advantages and disadvantages (PETTY; CACIOPPO, 1981). The involvement plays an important role in consumer behaviour and has a strong correlation with their attitude toward the brand and purchase intention (PETTY, CACIOPPO, SCHUMANN, 1983).

Several studies show that the level of involvement of consumers (high vs low) moderates the country-of-origin effect when evaluating product quality (LEE, YUN, LEE, 2005). Based on a perspective on the literature of persuasion and the elaboration likelihood model, Petty and Cacioppo (1981) argue that consumers use a peripheral route of persuasion in circumstances of low-involvement, basing their evaluation of products on more salient and accessible signals (JOSIASSEN, LUKAS, WHITWELL, 2008). Based on the research findings on persuasion, authors like Han (1989) and Maheswaran (1994) suggest that consumers use the origin country’s image more when they have less involvement, as this information is accessible and works as a substitute for other information that is more specific when evaluating products. The study of Josiassen, Lukas and Whitwell (2008) supports this view.

A second perspective argues that consumers who are more involved with a product category tend to seek and use more information about the product before making an evaluation or choice (CELSI; OLSON, 1988). Thus, in situations of high involvement, not just the price and design but other information, such as the origin country’s image is included in the overall analysis of the product (JOSIASSEN, LUKAS, WHITWELL, 2008). According to Ahmed et al. (2004), for low-involvement products the country of origin is not so significant during the buying process and can become secondary to other product characteristics, such as the lower price, being a family brand or its habitual use. The brand and price are the most important attributes, but even if the origin country’s image carries a limited influence, it must be in line with the product category, such as coffee with Colombia and Brazil and tea with India. In the case of high-involvement products, purchasing decisions become more elaborate and every piece of information available on the product becomes more important (LIN; CHEN, 2006; LEE, YUN, LEE, 2005). Lin and Chen (2006) investigated insurance and food services and found that the higher level of involvement the more positive and significant the influence of the country’s image became in purchase intent.

Koschate-Fischer, Diamantopoulos and Oldenkotte (2012) state that, in a high-involvement situation in which consumers have a greater interest in the product category, they tend to use extrinsic attributes such as the country of origin only when they have a great familiarity with the brand. Increasing their familiarity with the brand also increases trust in the intrinsic attributes of the product.

Dimitrović and Vida (2007) and Martin and Cervino (2011) state that the level of consumer involvement in purchasing decisions varies according to the degree of perceived risk associated with it; this would therefore be an antecedent of involvement (CHOFFEE; MCLEOD 1973 apud
MARTÍN; CERVINO, 2011). Higher levels of perceived risk induce people to become more involved, leading to decision-making and purchasing behaviour that is more rational and elaborate, with more time spent searching for information on brands and intrinsic and extrinsic attributes (such as the country of origin). The aim of this study is to investigate a different approach to the country-of-origin effect, which is unexplored in marketing literature: A brand’s presence in various locations without explicitly mentioning the country of origin. To further enhance the originality of the study, we decided to locate it in the context of services, since most of the research on country of origin focuses on products. We therefore chose two fictitious retail service brands (a supermarket and a clothing and accessories store) as study variables. In order to measure the effect of the brands’ presence in cities from developed countries (vs emerging countries), we used the following variables: purchasing intent in the store, attitude to the advertising of the new service and the perceived success of the new venture (if the respondents believe that the new venture would succeed in Brazil). Thus, the following hypotheses were formulated:

- **H1a:** Purchasing intent, attitude towards advertising and the perception of success of a new retailer of high-involvement products are higher when it is already present in cities of developed countries (vs cities of emerging countries).
- **H1b:** The purchase intention, attitude towards advertising and perception of success of a new retailer of low-involvement products are not influenced by its presence in developed countries’ cities (vs cities of emerging countries).

3. FIELD STUDY

To test the hypothesis, we conducted a factorial experiment 2 (level countries’ development of countries: developed vs emerging) x 2 (involvement: high vs low) between subjects.

3.1 Operationalisation of the Study - Procedures and Measures

For the high-involvement stimulus, we selected a clothing/accessories store (New Fable) and a supermarket for low involvement (Foster’s). We chose the two categories because they are traditionally categorised as low and high involvement and generate more or less subjective perception depending on the purchase importance (ENGEL, BLACKWELL, KOLLAT, 1995) and commitment to the processing of information relating to products/services (BLACKWELL, MINIARD, ENGEL, 2005; LEE, YUN, LEE, 2005). For the scenario, the participants were lead to believe that it was a new retail brand in Brazil and that the brands should be unknown to them.

For the composition of the two groups of cities, we selected: Buenos Aires, San Salvador, Montevideo, Santiago and Mexico City (capitals of the emerging countries of Latin America, which probably are easily recognised by the respondents as being from lesser developed countries); Tokyo, London, New York, Rome and Paris (capital of easily recognisable developed countries). The stimulus choice of various cities was purposeful and prevented the respondents from confusing the idea of presence in international locations with the country of origin, which was not mentioned.

The sample was chosen for convenience and consisted of 142 women aged between 25 and 50 years (mean age = 32 years). Most of them reported having a monthly family income of up to R $ 7,000.00 (60%), and the rest were above this value; 54% had graduated; 56% were married; 58% worked full-time, 23% worked, and the rest just studied or were not working full-time.

The choice of the survey sample (only participants female) was because women are more frequently responsible for purchases of supplies for the home and clothing for themselves and family. This also served to prevent a large variability in the sample, and thus ensured greater internal validity in the experiment.

Each participant received a link to access one of the four questionnaires and answered it on the internet. The introduction stated that they should evaluate the advertising of a new store that would be opening its first branch in Brazil (Figure 1). To check the understanding of the advertising, the participants were presented with a list of 11 cities (5 correct and incorrect 6) to indicate in which of them the advertising shop was present. To further check the understanding of the scenario, they were asked for how long the store was in Brazil.
After checking the understanding of the scenario, the participants had to present their attitudes on the advertising (“What is your overall assessment of this advertising?”) using a 7-point scale (1 = poor, 7 = excellent). Then, participants indicated their intention to buy in the store using 5 items (“I like to visit the store ...”, “I would consider shopping in the store ...”, “I would recommend the store ... to my friends” and “if I were to buy ... today, I would go to shop ...”) using the 7-point Likert scale. The average of the five items from this scale was held in a single index to measure the intention to buy at the store (α = 0.85). The perception of future success was measured by the question: “Do you believe that the store ... will succeed in Brazil?”, which was also measured by a 7-point scale (1 = definitely not; 7 = certainly yes).

The degree of development of the country in the cities where the brand is present was measured by 11 items, adapted from Moon and Jain (2002) (see Annex II) and measured with the 7-point Likert scale. The average for these 11 items was collected in an index to measure the degree of development of the countries where the brand is present (α = 0.94).

To measure the respondents’ level of involvement with each of the service categories, we used 11 items adapted from Bruner, Hensel and James (2005) (see Annex I). The average of these 11 items resulted in a general index of involvement with the service type (α = 0.94).

4. RESULTS

Handling of the Meetings.

Initially, we tried to check the understanding of the scenarios. The respondents had to indicate in which cities the new store was already present and, as expected, the mean score (M = 3.3 cities of 5 correct cities) was much higher than the average errors (M = 0.5 cities of 6 incorrect; t (141) = 19.2, p <0.001), suggesting that the respondents correctly assimilated the cities where stores were present. Most respondents also assimilated the scenario where the new store was yet to be inaugurated,
because 73% correctly answered that the store would be opened soon; 11% said they did not know and the others (16%) answered that the store was already present in Brazil for less than 1 year. We found no significant differences for the main dependent variables between the group that accepted that the store would be opened soon and the remaining respondents.

A t-test revealed that the developed countries’ image (M = 5.5) was higher than the emerging image (M = 3.8, t (140) = 9.9, p <0.001), suggesting that the manipulation of the degree of countries’ development where the stores were present succeeded. Similarly, we found that the level of involvement with clothing and accessories stores (M = 4.4) is greater than involvement with supermarkets (M = 3.3, t (140) = 4.2, p <0.001), which suggests the involvement manipulation was also successful.

**Purchasing Intent**

To test the hypothesis in which the effect of presence in certain cities on purchasing intent would be moderated by involvement, we conducted an ANOVA 2 (countries’ level of development: developed vs emerging) x 2 (involvement: high vs low) with purchasing intent as the dependent variable. The analysis indicated a major effect from the level of development (F (1,138) = 13.7, p <0.001), of involvement (F (1,138) = 28.2, p <0.001) and the interaction between both (F (1,138) = 7.6, p <0.01).

To verify the nature of the interaction, we conducted a post-hoc test with two sub-samples: respondents who evaluated the advertising from the supermarket, and those who saw the advertising of the clothing/accessories store. For people who evaluated the supermarket advertising, there was no statistically significant difference between the averages for purchasing intent when the brand was present in cities of developed countries (M = 5.1) or in cities of developing countries (M = 5, 0; t (76) = 0.9; p> 0.30). As for the people who evaluated the advertising from the clothing and accessories store, presence in cities of developed countries (M = 4.7) resulted in higher purchasing intent than for developing countries (M = 3, 6; t (62) = 3.6, p <0.001). As predicted, while the presence in cities of developed countries (vs emerging) had a significant effect on purchasing intent for the high-involvement category, the developmental differences of the countries had no effect on the low-involvement category, confirming the hypothesis of the study. Figure 2 shows this result.

![Figure 2. Purchasing intent by level of involvement and presence in cities of developing and developed countries](source: Prepared by the authors as field data)

Although we have not specifically tested the effect of the origin country’s image, one can see that there are parallels with the findings of authors who have found an interaction between the country of origin and consumers’ levels of involvement with services (AHMED et al., 2004; DMITROVIĆ; VIDA, 2007; LIN; CHEN, 2006; LEE, YUN, LEE, 2005; MARTÍN; CERVINO, 2011). Our results suggest a similar effect when the consumer receives information about a brand’s presence in developed markets: the greater the level of involvement with a service, the greater the importance that consumers tend to give to the country of origin’s image as well as the international presence of the brand, as an extrinsic attribute that indicates higher quality.

**Attitudes towards Advertising**

ANOVA 2 (level of development of countries: developed vs emerging) x 2 (involvement: high vs low), and the attitude towards advertising as the dependent variable, revealed a significant main effect of involvement (F (1,138) = 12, 6, p <0.01) and a marginally significant interaction effect between involvement and countries’ level of development (F (1,138) = 3.7, p <0.1).

The same procedure for the post-hoc t-test with the two sub-samples showed that for people who analysed the supermarket’s advertising, there was no statistically significant difference between the
mean attitude towards advertising when the brand announced its presence in cities of developed countries (M = 4.7) and emerging (M = 4.8, t (76) = 0.7, p > 0.50). On the other hand, for people who reviewed the advertising of the clothing and accessories store, attitudes to advertising were marginally higher when the store was present in cities of developed countries (M = 4.5) than when the store was present in cities of developing countries (M = 4.0, t (62) = 1.8, p <0.1). These results suggest that for services with a greater level of consumer involvement, presence in cities in developed countries has a greater impact on attitudes towards advertising than for the low-involvement categories, as predicted by the hypothesis. Figure 3 shows the results.

Figure 3. Attitudes to advertising by level of involvement and presence in cities of emerging or developed countries
Source: Prepared by the authors as field data

Perception of Future Success

An ANOVA 2 (countries’ level of development of countries: developed vs emerging) x 2 (involvement: high vs low) and the perceived success as the dependent variable, indicated the main effect of the countries’ level of development (F (1,138) = 7.6, p <0.01), involvement (F (1,138) = 5.3, p <0.05) and a marginally significant interaction between the two (F (1,138) = 3.5, p <0.1).

The post-hoc procedure (t-test) showed that for people who analysed the supermarkets advertising, there was no statistically significant difference between the averages for the perception of future success when the brand announced its presence in cities of developed countries (M = 6.4) and emerging (M = 6.2, t (76) = 0.6, p > 0.50). Already the perception of success for the people who evaluated the advertising of the clothing and accessories store was significantly different when it had a presence in developed countries’ cities (M = 6.3) compared to its presence in cities of developing countries (M = 5.0; t (62) = 3.2, p <0.01). As well as purchasing intent and attitude towards advertising, the study hypothesis related to the store’s perceived success was confirmed. The results are shown in Figure 4.

Figure 4. Perception of store success by level of involvement and presence in cities of emerging or developed countries
Source: Prepared by the authors as field data

4.1 Conclusions and Suggestions for Future Studies

The results of this study suggest that the effect of information about a brand’s presence in cities of developed countries on the attitudes of consumers is moderated by involvement with the category, as observed in previous studies on the country-of-origin effect (AHMED et al. 2004; CELSI; OLSON, 1988; JOSIASSEN, LUKAS, WHITWELL, 2008). For the high-involvement category (clothing/accessories store), purchasing intent, attitude towards advertising and perception of success, were significantly higher when the brand announced its presence in cities of developed countries (vs emerging countries). However, the same was not true for the low-involvement category (supermarket), since presence in cities of developed countries had the same effect as presence in cities of developing countries. In the absence of other attributes, the respondents probably used presence in cities of developed countries to distinguish the quality of the clothing and accessories store, but not for the supermarket.

The greatest theoretical contribution of this paper was to show that the argument for a brand’s presence in certain cities can have the same effect
on consumer attitudes as communication of the country of origin. More importantly, we show this effect in the context of retailer services in the mass-market is a relatively unexplored segment in studies on country of origin. Finally, similar to previous studies (LIN; CHEN, 2006; LEE, YUN, LEE, 2005; KOSCHATE-FISCHER, DIAMANTOPOULOS, OLDENKOTTE, 2012), we were able to demonstrate that international presence is moderated by involvement with the service category.

Brands are increasingly seeking to differentiate themselves and generate positive associations internationally and thus transcend the boundaries of their territorial origin. Store branches in different countries can be an interesting placement for new or lesser-known brands in a particular country, especially if they were present in developed countries. Even if a brand is coming from an emerging country, it can still benefit from being established in developed countries and making this clear to consumers, as some Brazilian brands like Havaianas and Sadia have done.

Some considerations should be made regarding the limitations of this research. The sample was limited to women between 25 and 50 years and chosen for convenience, which although limits the generalisation of the results, provides internal reliability for the results. The same is true with respect to the limited number of service categories and brands. In addition, the brands were chosen because they have English names that suggest a developed country of origin to respondents, although this information has not been presented. Future research could focus on generalising these results to different samples with brands that have neutral names and belong to other categories. It should also be stressed that the brands and advertisement were fictitious. In one sense it is beneficial as it did not arouse respondents’ previous attitudes towards the brand. On the other hand, the use of actual brands and advertising would have increased external validity for future studies.

Furthermore, because a control group was not used, we do not know if participants’ attitudes when exposed to the stimulus are greater than that of a group of participants who were not exposed. Future studies could cover this gap. Moreover, as we used locations in developed countries, some respondents may have a connection or relationship with the fashion that exists in these cities. As for emerging countries, we only mentioned cities in Latin American countries that have few or no connection with fashion. This aspect could imply other meanings beyond socioeconomic development.

We only used involvement as a moderating variable for the effect of international presence, a construct closely related to perceived risk (DIMITROVIĆ; VIDA, 2007; MARTÍN; CERVINO, 2011). It would be interesting to include the latter as a moderating variable in future studies. Other potential moderating variables of the international presence effect include ethnocentrism (BALABANIS; DIAMANTOPOULOS, 2004; HAMIN; ELLIOTT, 2006), affection for or consumer familiarity with a foreign country (JIMÉNEZ; SAN MARTÍN, 2012; PIRON 2002).

Future research could also examine the effect of how long a brand has been established oversea. In our study, the brands were limited to communicating their presence in cities of other countries. In light of this, what would be the perception of consumers if they were also told the period of time that a brand had existed in these cities (long vs short)? Also, questions related to the number of locations could also be interesting for research, as the stimuli we used indicated only 5 cities in developed and emerging countries. Would this be an ideal number, or would the fact that less cities were mentioned weaken the effect?

The country-of-origin effect, although much explored in academic literature, does not seem to be exhausted and still shows interesting potential for further empirical research.

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ANNEX I

A. **Scale for Countrys' Degree of Development** (adapted from Moon and Jain 2002)
1. "The countries where Foster's (New Fable) is already present in service's provision".
2. "Countries where Foster's (New Fable) is already present are predominantly industrialised".
3. "Countries where Foster's (New Fable) is already present have a high cost of labour".
4. "The countries where Foster's (New Fable) is already present have a low illiteracy rate".
5. "Countries where Foster's (New Fable) is already present have an efficient social insurance system".
6. "Countries where Foster's (New Fable) is already present have a stable economic environment".
7. "The countries where Foster's (New Fable) is already present are exporters of manufactured goods".
8. Countries where Foster's (New Fable) is already present have a tradition of providing high quality services".
9. "The countries in which Foster's (New Fable) is already present have a high standard of living".
10. "Countries where Foster's (New Fable) is already present have a high level of technological research".
11. "Countries where Foster's (New Fable) is already present are developed".

B. **Scale for the Degree of Involvement with the Category** (adaptation from various scales of Bruner, Hensel, and James, 2005)
1. "Buying supermarket products (clothing / accessories) is something that makes me feel good".
2. "Buying supermarket products (clothing / accessories) is something that makes me happy".
3. "Buying supermarket products (clothing / accessories) is something that makes me relaxed".
4. "I like to buy supermarket products (clothing / accessories)".
5. "Buying supermarket products (clothing / accessories) is a very important activity in my life".
6. "Buying supermarket products (clothing / accessories) is an activity that I like to get involved in".
7. "I find it interesting to buy supermarket goods (clothing / accessories)".
8. "I like to invest time to buy supermarket goods (clothing / accessories)".
9. "I like to invest my energy to buy supermarket products (clothing / accessories)".
10. "Before buying supermarket products (clothing / accessories), I like to plan this activity".
11. "Many times, I feel like buying supermarket products (clothing / accessories)".

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Quando ser internacional vale a pena: O efeito da presença internacional de uma marca de serviços sobre as atitudes dos consumidores

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RESUMO

Um grande número de estudos acadêmicos investigou o efeito país de origem, isto é, a influência do país de origem de um produto sobre as atitudes dos consumidores em relação a este produto. Sabe-se que países com maior nível de desenvolvimento socioeconômico estimulam a geração de atitudes mais favoráveis em relação aos produtos e serviços que lá têm origem e que esta influência é moderada pelo grau de envolvimento do consumidor com a categoria do produto. No entanto, a maioria dos estudos anteriores tem investigado principalmente produtos tangíveis. Este estudo examina o efeito país de origem sob a ótica de serviços, ao invés de produtos, usando uma abordagem inexplorada e distinta: a presença em várias cidades do mundo como apelo na propaganda, sem mencionar explicitamente o país de origem. Especificamente, criamos um cenário em que duas novas marcas de varejo, em categorias de produto com baixo e alto envolvimento do consumidor, estabelecem-se no Brasil, mencionando a presença em cidades de países desenvolvidos (vs. emergentes). Os resultados mostram que, para um produto pertencente à uma categoria de baixo envolvimento, o efeito da presença em cidades de países desenvolvidos (vs. cidades de países emergentes) é mais positivo sobre intenção de compra, atitude em relação à propaganda e percepção de sucesso. Por outro lado, não houve efeito da presença em cidades de países desenvolvidos (vs. cidades de países emergentes) para um produto pertencente à uma categoria de baixo envolvimento. Este estudo contribui para a literatura de marketing ao demonstrar que comunicar a presença em localidades desenvolvidas pode exercer o mesmo efeito sobre as atitudes dos consumidores que comunicar o país de origem, e que esse efeito é moderado pelo grau de envolvimento do consumidor com a categoria.

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