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COUNTRY OF DISTRIBUTION EFFECTS ON BRAND ATTITUDE CHANGE

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Abstract: This study investigates the country of distribution effects on shifts in attitudes before a given brand name. Country of distribution is herein defined as the brand name´s outcome (whether positive or negative) of announcing sales overseas. Three experiments revealed that the country of distribution effect is greater when the nation is a traditional (vs. non-traditional) manufacturer of the brand name´s product category. Furthermore, it is stronger when involving well deemed (vs. poorly deemed) brand names, their perceived success at the country of entry playing a moderating role in the interplay.

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Introduction

In the quest to ideate or strengthen positive associations such as credibility or experience, brand names may resort to a number of communication strategies (KELLER, 1993). One such strategy is to announce the brand name´s successful internationalization initiatives (STEENKAMP; BATRA; ALDEN, 2003).

In support of their "Everyone wears them" tagline, the Brazilian manufacturer of the *Havaianas* flip-flops has, for instance, consistently employed in its communication the fact that these are sold globally in an attempt to favour their image amongst Brazilian consumers. Likewise, the food producer *Sadia* resorted to the same strategy to communicate its international presence in countries as diverse as Germany, Russia, China, Japan, Argentina and the United Arab Emirates.

Does this communication strategy positively impact a given brand name? i.e., does consumer brand attitude become more positive once they receive the information that the same is sold at international markets? In this study, the "country of distribution effect" has been defined as the positive or negative result captured by a brand name once it communicates that the same is traded on foreign sites. In turn, foreign sites are herein meant to be understood in a comprehensive manner relating to a country, a city, a district or even but a single store.

This study proposes that the transfer of positive associations from a foreign country to a domestic brand name allows one to explain why consumer attitudes might improve before the same. The transfer (association) technique is extensively employed to explain the country of origin effect and thus, to the purpose, literature herein is serves to ground this study´s hypothesis.

The core underlying mechanism of the country of distribution effect rests in a country´s image being able to trigger notions involving the overall quality of products manufactured there (HONG; WYER, 1989; PAPPU, QUESTER; COOKSEY, 2006). French wine manufacturers for instance, try to improve their image on international markets by reinforcing their home country brand names. The strategy behind the communication strategy of disseminating information international market growth seeks to favour domestic consumer behaviour by informing them of international market presence. Therefore, in an attempt to improve their image amongst domestic consumers, Brazilian wine manufacturers could choose to inform Brazil of their presence on the French marketplace, for example. A number of prior studies demonstrate that the product´s home country can moderate the same´s assessment by associating the country´s tradition in the manufacturing of like-category products (AHMED et al., 2004; AGRAWAL; KAMAKURA, 1999; KNIGHT; CALANTONE, 2000). The foresight herein rests on a brand name reaping benefits from the country of distribution effect when the country at stake is deemed a traditional producer of the brand name´s products.

The global internationalization context has favoured increases in the number of emerging market multinationals (RAMAMURTI, 2012) and those that have gone international will be able to resort to the herein investigated communication strategy to improve their home market image. Therefore, this study contributes both with country of origin and global branding literature (AKRAM; MERUNKA; AKRAM, 2011; BATRA et al. 2000; ÖZSOMER, 2012; STRIZHAKOVA; COULTER; PRICE, 2008) by identifying a relatively recent, yet unexplored by marketing literature, phenomenon.

The coming sections comprise a revision of this study´s hypothesis development literature. Subsequently, three experiments that tested research hypothesis are described. Finally, conclusions present this study´s limitations, theoretical and managerial implications and suggested future studies.

Literature Revision and Hypothesis Development

The global market has experienced a number of changes over the last couple of decades. Countries have become more dependent on one another and productive factors shifted to make better use of each location´s natural, intellectual and economic resources. So-called hybrid products emerged – ideated at a given country but involving several others throughout their manufacturing process (PHARR, 2005). In the past few years Brazil has taken on an increasingly important role on the international arena capturing improved international acceptance levels (SECEX, 2011). As the seventh world economy, the country holds the 22nd position amongst major global exporters (SECEX, 2011) whilst in 2011, Brazil´s total international trade figures increased 25,7% in relation to 2010 (SECEX, 2011).

An assortment of factors may come to play a role of relevance in the imported or domestic product purchase decision process such as industrial, market development, perceived economic strength and vulnerability levels (PAPADOPOULOS; HESLOP, 1990). Information on the country of origin is very important for marketing strategy purposes during a given product´s internationalization process (RAMAMURTI, 2012).

Home country and country of origin effect

One may define home country as that where a product is produced (LIEFELD, 2006) although Peterson and Jolibert (1995) rather chose to define the country of origin as being that where the product is operationalized and communicated by means of the phrase "made in __". Currently one also refers to "country of design" as being that where the product was developed and not merely manufactured (PHARR, 2005), "brand name country" as that to which the brand name belongs (LIEFELD, 2006) or still, "assembly country" standing for that where the product was assembled as of parts that were sourced in other countries (LIM; O'CASS, 2001; KNIGHT; CALANTONE, 2000).

The country of origin´s core assumption rests on the understanding that a given country can trigger concepts contained within the consumer´s memory as to the overall quality of products that are made in that specific country. Should these in turn positively impact product-attribute interpretation, these might lead to the same´s more favourable assessment (HONG; WYER, 1989). A given country´s image may not only contain general information on the country itself and its products but also bring along other characteristics such as the economy, culture, industrialization and workforce (VERLEGH; STEENKAMP, 1999).

Several empiric observations indicate that the country of origin imparts considerable influence on product quality perception (BILKEY; NES 1982) and that consumers use country of origin as extrinsic information to assess a given product´s quality (AHMED et al., 2004).

One of this field of study´s greatest theoretical concerns lies in determining which concepts a country triggers that one might generalize upon and apply to products one associates that country with. To this effect, some studies suggest that production and sale tradition involving a given product might lead to assessment generalizations involving brand names and products that one associates with certain countries (AGRAWAL; KAMAKURA, 1999; LI; WYER, 1994; MAHESWARAN, 1994).

Therefore, consumers that have shaped a notion as to a country´s tradition in a given product or market segment might resort to this information as grounding to assess that country´s products without taking the product´s specific attributes into account (LI; WYER, 1994). Japan, for instance, is widely acknowledged for its extensive tradition in the manufacturing of top quality electronics (MOON; JAIN, 2002) whilst France one associates with wine and cheese (ITTERSUM; CANDEL; MEULENBERG, 2003), and Germany with cars (PIRON, 2000). To this effect, one can offer a number of examples such as the association beer-Germany, perfume-France, cigars-Cuba, vodka-Russia and olive oil-Greece amongst others. Some countries are not associated with manufacturing but rather consumption as is the case of England, acknowledged for the consumption of teas or the United States, for that of fast food.

Ahmed et al., (2004) in an interesting study conducted in Singapore verified that locally, the most appreciated coffee is that sourced in Colombia, a country that is world acknowledged for the production of coffees but whose place image is quite unfavourable. This result suggests that the tradition in producing a given product might be a concept that one more readily generalizes for a product in contrast to that of a country´s image.

Country of distribution and its effect on consumer attitude

This research investigates an unexplored in marketing literature concept that is henceforth named "country of distribution" effect, defined as the positive or negative result a brand name captures when it communicates that it is sold at a foreign location.

Much the same way information on the country where a given product is manufactured might influence the same´s assessment, the suggestion herein rests on information as to a brand name being sold at a foreign site likewise possibly influencing evaluations as to its strength. The authors envisioned that the cognitive process sustaining the coined hypothesis is akin to that of the country of origin effect. At first, the consumer receives information that a local brand is sold at a given foreign country. The consumer will promptly activate the expertise he/she has of the foreign country and the brand name. Should this information be relevant and positive, i.e., if the foreign country holds a reputation in the manufacturing of the local brand´s products, this information is incorporated into the brand name´s new assessment. In suit, the consumer might envision that considering that country´s consumers also buy the domestic brand, it must thus embed an equivalent quality level as that of other brand names manufactured in that country.

The better the country´s image or greater its reputation in the manufacturing of the brand name´s products, the more extensive is the transfer of positive associations to the brand name. Should the information seem irrelevant (or the country is not a traditional manufacturer of that brand name´s products or the brand does not manufacture products that are produced in that country) or negative (or the country holds an unfavourable image or has no tradition in the manufacturing of that brand name´s products) then, the new information might even come to negatively collaborate with the brand name´s evaluation.

The above described process for country of distribution effect purposes is ground on a number of country-of-origin studies. (HAN, 1989; HONG; WYER, 1989). Han (1989) for instance verified that when consumers have no expertise in a given country´s products, the country´s image merely conveys a halo effect, i.e., it becomes no more than one item of information one integrates into the assessment process. In contrast, when the consumer is acquainted with a given country´s products, the image may serve as leverage for the building of product-related beliefs, influencing the same´s evaluation.

This process is consistent with that cognitive, explaining the home country effect Hong and Wyer (1989) suggested, whereby information on the country of origin is employed when one coins inferences as to a product´s other attributes. Throughout the information development process, consumers recall their past country-relevant expertise, affinities and experiences to shape inferences on a given country´s products' quality and reliability. The consumer might resort to stereotyped beliefs when there are time constraints or should product information be insufficient (AHMED et al., 2004).

Assessments are not only cognitive but may also feature an affective nature. Home country effects may bring along sentimental, emotional and symbolic values such as the consumer´s family country of origin or latest vacations site. Affection for a given country may thus be transferred to products that are manufactured there or as herein suggested, to the brand names that are sold at that marketplace. Based on the previously described arguments, the following hypothesis was formulated:

H1: The country of distribution effect is greater when the country holds a tradition in the manufacturing of the brand name´s products than when the country has no tradition at all

The above described country of distribution effect most likely occurs when high quality brand names are involved as opposed to those of low quality. Brand name quality refers to the consumer´s assessment as to a given brand name´s superiority or excellence (ZEITHAML, 1988) and usually serves to mitigate the risk consumers perceive (AAKER, 1991). Brand name literature offers a number of studies that demonstrate how low quality brands are less capable of generating positive associations, reducing their ability to launch brand name extensions (VÖLCKNER; SATTLER, 2006), form alliances with other brand names (WASHBURN; TILL; PRILUCK, 2004) or conquer international markets (PHARR, 2005; GÜRHAN-CANLI; MAHESWARAN, 2000).

Although a given home country might positively influence a product´s perceived quality (PAPPU, QUESTER; COOKSEY, 2006) it is unlikely that information on a home country fundamentally modifies consumer beliefs regarding a given brand name. In fact, evidence demonstrates that the exact opposite most likely occurs, i.e., a given home country might undermine brand name quality associations (NEBENZAHL; JAFFE, 1996; THAKOR; KATSANIS, 1997).

This study proposes that the fundamental mechanism that grounds the country of distribution effect hypothesis is the transfer of positive associations from the country to the brand name. However, the similarity one perceives between both stimuli is vital to ensure affection transfers effectively occur between them (FAZIO, 1989). Prior studies demonstrated that information on the home country influences consumer perception and drives them into a more extensive cognitive development process (HONGY; WYER, 1989). Thus, if the consumer does not identify some sort of similarity between the low quality brand name and the country of distribution, it is unlikely that the country´s positive associations will end up being transferred to the brand name, i.e., a low quality brand name is capable of inhibiting the transfer of positive associations. Therefore the following hypothesis was proposed:

H2:   The country of distribution effect is greater for a high quality brand name than for that deemed of low quality

Experiments Overview

This research tested the two hypotheses via three experiments. The first´s purpose was to merely verify the country of distribution effect. The experiment handled the country´s tradition (extensive vs. poor) in the manufacturing of a product and the change in attitude before the two high quality brand names were measured. The second experiment is quite similar to the first except for the fact that one of the high quality brand names was swapped for one of low quality. The third experiment generalized the results gathered in the two prior studies to another product category and employed another kind of stimulus as opposed to those employed in the first two studies.

1st. Experiment

The first experiment examines the country of distribution effect on brand attitude shifts. Specifically, two replications are conducted for an experimental design between subjects whereby the product category´s production tradition is manipulated (extensive vs. poor).

Pre-tests

For starters, to choose the experiment´s stimuli, 100 products and service categories which might serve as stimuli for the core experiment, were listed. Brazilian brand names which were deemed accredited (or not accredited) to operate overseas were listed on a per category basis. All categories that did not feature at least one brand name that fit into the described categories or that were typically male or female, were excluded. By the end of the process, no more than 22 product categories remained.

Subsequently, 45 Business Administration students from a large Brazilian university were asked to indicate which countries they understood were more traditional in the manufacturing of each of the 22 product categories. The most mentioned category – beer – was indicated by 32 respondents whilst the most mentioned country as being a traditional beer manufacturer was Germany, per 25 citations.

Then a list with Brazil´s top mass consumption beer brand names was submitted to a sample of 32 Business Administration students from the same university and they were asked to assess each brand before a seven point quality scale (1=extremely poor quality; 7=excellent quality). The top two score average brands (*Skol*: A = 4.6; *Itaipava*: A = 4.3) were selected for the purpose of the experiment.

Finally, ten countries (Germany, Japan, United States, England, Italy, Spain, Portugal, Netherlands, Korea and France) were listed and 25 Business Administration students from the same university were asked to indicate the country´s global image (1=extremely poor; 7=excellent) and to what extent each country was deemed a traditional beer manufacturer (1=no tradition; 7=extensive tradition). To eliminate the possibility of the country of distribution effect arising from the country´s image and not from its tradition in beer manufacturing, the country that topped the tradition ranking (Germany: A = 5.8) and that deemed least traditional (Japan: A = 2.3) yet held similar global country images ($A_{Germany}$ = 5.7; A_{Japan} = 5.8) were selected.

Subjects

One hundred and sixteen Engineering students of a large university (Men = 77%; Average Age =21.8 years) took part in the experiment.

Procedures and Measurements

Each experiment participant received a printed on paper questionnaire that was hand delivered by one of the study´s authors, who remained in the vicinity to clarify eventual doubts while respondents completed the document during class intervals.

Participants read on the questionnaire that this study´s authors had been hired by a beer manufacturer to assess propaganda amongst potential consumers such as themselves. Subsequently, respondents assessed the beer´s brand name via two items ("What is your assessment of <brand name>´s beer ?" and <"In comparison to other brands of beer, what is your assessment of <brand name>´s beer?" using a 9 point scale (1=extremely poor; 9=excellent).

The questionnaire subsequently informed readers that the beer manufacturer´s marketing team had ideated a new advertisement to communicate to its consumers that now their beer was also available at another country. They also read that the advertisement would be broadcast at the nation´s main television stations and that the manufacturer would like assess the impact of this advertisement. Respondents then read the advertisement´s script.

The mock advertisement script (see Attachment 1) was identical for the four scenarios (two brand names and two countries). Next, participants filled in both brand´s attitude change measures employing two items ("Now that you know of this advertisement, has your opinion as to <brand name>´s beer changed?" and "Now that you know of this advertisement, has your desire for the brand´s beer changed?") that were assessed via a nine point scale (1=worsened extensively; 9=improved extensively).

Participants then assessed their perception as to the success the brand name would attain at the foreign country using one single item ("Do you believe that <brand name>´s beer will be successful in <country name>?") via a nine point scale (1=certainly yes; 9=certainly no). Next, respondents assessed the country´s image by employing Moon´s (2002) scale that was supported by a seven point Likert scale. The country´s beer manufacturing tradition was measured by three items (" <Country names> is a traditional manufacturer of beers", "One of the world´s leading beer manufacturers is <country name> and "If beer is manufactured in <country name> it is certainly good beer") assessed via a seven point Likert scale.

Results

Manipulation cross-checks: The two brand name assessment measures were grouped into a single index (r^2=0.86, p<0,001). An independent sample t test revealed that both brand names obtained similar assessments (A_{Skol} = 5,4 vs. $A_{Itaipava}$ = 5.2; t(114) = 0.64; p>0.60). Thus, both brand names' results were grouped in the subsequent analyses.

The eleven country image scale indicators were grouped into one single index (α = 0.75). Then, the image of the two countries was compared to a t test and conclusions revealed that there was no significant difference between them (A_{Japan} = 5.4 vs. $A_{Germany}$ = 5.4; t(114) =

0.7; p > 0.40). The tradition in beer manufacturing scale indicators were also grouped (α = 0.90) and the tradition of both countries was compared via a t test. Results indicate that Germany (A = 5.6) is perceived as a more traditional beer manufacturer than Japan (A = 2.6; t(114) = 13.4; p < 0.01). Thus, the manipulation involving beer manufacturing tradition was successful.

Brand attitude change: Both of the shifts in attitude before brand names' items were grouped (r^2 = 0.73; p < 0.01). Subsequently, attitude changes in relation to both countries were compared via t tests. Results suggest that brand attitude change was greater when the country of distribution was Germany (A = 4.8) than when the country of distribution was Japan (A = 4.4; t(114) = 2.0; p < 0.05).

To increase trust that outcomes resulted from the country´s tradition as a beer manufacturer and not given the country´s image, data was verified via analysis of covariance (ANCOVA). The first ANCOVA employed brand attitude change as the dependent variable, the country of distribution as factor and each country´s image as covariant. As foreseen, the outcome evidenced as prime effect, that of the country of distribution (F(1.113) = 4.2, p < .0.05) and the country image covariant prove to have no significant effect (F(1.113) = 0.8, p > 0.80). For the second ANCOVA evaluation, the covariant was changed to the country´s beer manufacturing tradition and, as predicted, the prime country of distribution effect was no longer verified (F(1.113) = 1.0, p > 0.30).

The first experiment´s outcomes confirmed the study´s first hypothesis, i.e., that the country of distribution effect is greater when the country is a traditional manufacturer of the brand name´s product category as opposed to when the country is not acknowledged as a traditional producer of the same. Furthermore, evidence suggests that the country of distribution effect is a result of beer manufacturing tradition and not of the country´s overall image.

Experiment 1b

This experiment is identical to that named 1a, except for the differences described in suit. Two beer brand names of significantly different quality levels were investigated as stimuli, namely: *Skol* (A = 4.4) and *Crystal* (A = 2.6; t(31) = 8.7, p < 0.01). *Crystal* was chosen as of beer brand name pre-test results which revealed that it was deemed that of poorest quality amongst all of those pre-tested. The second difference rests in the fact that data was collected via an electronic questionnaire that was applied over the internet. Respondents were invited to participate in a study on advertisements and completed the questionnaire at an information technology lab. One item was added to the brand attitude change scale ("Now that you know of this advertisement, do you intend to buy more of this brand name´s beer?"). The fourth difference is that the respondents (n = 116; A_{age} = 20.0 years; 53% men) were students from an assortment of graduate level courses from another large Brazilian university. The remaining procedures and measures were similar to those employed in Experiment 1a.

Experiment 1b is a factorial 2 experiment (brand name: high quality vs. low quality) x 2 (country: extensive tradition vs. poor tradition), amongst subjects. Expected outcomes include finding an interaction between brand names and countries, i.e., for the high quality brand name, the country of distribution effect ought to be greater for the extensively traditional country when compared to that poorly traditional whilst in the case of brand names, that of high quality should not be subject to any country of distribution effect.

Results

Manipulation cross-checks: Both brand name assessment measures were grouped into a single index (r^2 = 0.63; p < 0.001). As foreseen, both brand names obtained significantly different assessments via t tests (A_{Skol} = 5.1 vs. $A_{Crystal}$ = 3.2; t(114) = 5.51; p < 0.01). The eleven country image scale indicators were grouped into a single index (α = 0.70). Next, both country images were compared via a t test leading to the conclusion that there is no significant difference between them (A_{Japan} = 5.5 vs. $A_{Germany}$ = 5.5; t(114) = 0.02; p > 0.90). The beer manufacturing tradition scale indicators were also grouped (α = 0.81) and both country´s tradition were compared via t tests. Results demonstrated that Germany (A = 5.5) is perceived as a more traditional beer manufacturer than Japan (A = 2.8; t(114) = 15.6; p < 0.01).

Brand attitude change: First, the three brand attitude change items were grouped into one single index (α = 0.70). Then, data was analysed employing ANOVA 2 (brand name: high quality vs. low quality) x 2 (country: extensive tradition vs. poor tradition) using brand attitude change as the dependent variable. Unlike initial expectations, results only confirmed the existence of a prime country effect (F(1.112) = 4.68; p < 0.05), no brand name prime effect and no interaction effect having been observed.

Hence, decision fell upon evaluating the role brand name perceived success at the foreign country plays. To this effect, data was analysed employing ANCOVA 2 (brand name: high quality vs. low quality) x 2 (country: extensive tradition vs. poor tradition) using brand attitude change as the dependent variable and the brand name´s perceived success at the foreign country as covariant. Results confirmed that this variable imparted significant effect on brand attitude change.

To better explore the moderating role played by the perception of brand name success at the foreign country, choice fell upon a new variance analysis. A codified dummy variable was coined by dichotomizing the perception of brand name success at the foreign country variable by the average scale point and included this as an ANOVA factor. An ANOVA 2 (brand name: high quality vs. low quality) x 2 (country: extensive tradition vs. poor tradition) x 2 (perception of success: high vs. low) over the brand attitude change dependent variable evidenced a prime country effect (F(1.108) = 7.87; p < 0.01), a prime perception of success effect (F(1.108) = 12.96, p < 0.01) and an interaction effect between the brand name and the perception of success (F(1.108) = 7.82, p < 0.01).

Subsequent tests revealed that the brand attitude change effect was greater for Germany (A = 4.4) than for Japan (A = 3.9; t(114) = 2.16; p < 0.05) thus supporting this study´s first hypothesis.

Data was then analysed to identify the nature of the interaction between the perception of success and brand names observed by ANOVA. To this effect, the low quality brand name´s (*Crystal*) data was isolated and brand attitude change was analysed via an ANOVA 2 (country: extensive tradition vs. poor tradition) x 2 (perception of success: high vs. low). As expected, results for the low quality brand name (*Crystal*) did not reveal any significant effect. As can be seen on Figure 1´s Panel A, the *Crystal*´s brand name shift in attitude did not significantly vary neither in function of the country of distribution nor given perception of success (all p's > 0.10).

Next, the high quality brand name´s (*Skol*) data was isolated and the same procedure was applied to the same, namely, data was analysed employing an ANOVA 2 (country: extensive tradition vs. poor tradition) x 2 (perception of success: high vs. low). As predicted, the

high quality brand name´s results revealed a prime country effect ($F(1.51) = 7.97$; $p < 0.01$) and a prime perception of success effect ($F(1.51) = 24.32$; $p < 0.01$). Subsequent tests demonstrated that the shift in attitude before the high quality brand name was greater for the extensively traditional country ($A = 4.5$) than for the poorly traditional country ($A = 3.9$; $t(53) = 1.72$, $p < 0.10$) whilst brand attitude change prove to be greater when the perception of success was high ($A = 4.8$) than when the perception of success was low ($A = 3.6$; $t(53) = 4.3$; $p < 0.01$). Data pertaining to these outcomes is presented in Panel B of Figure 1:
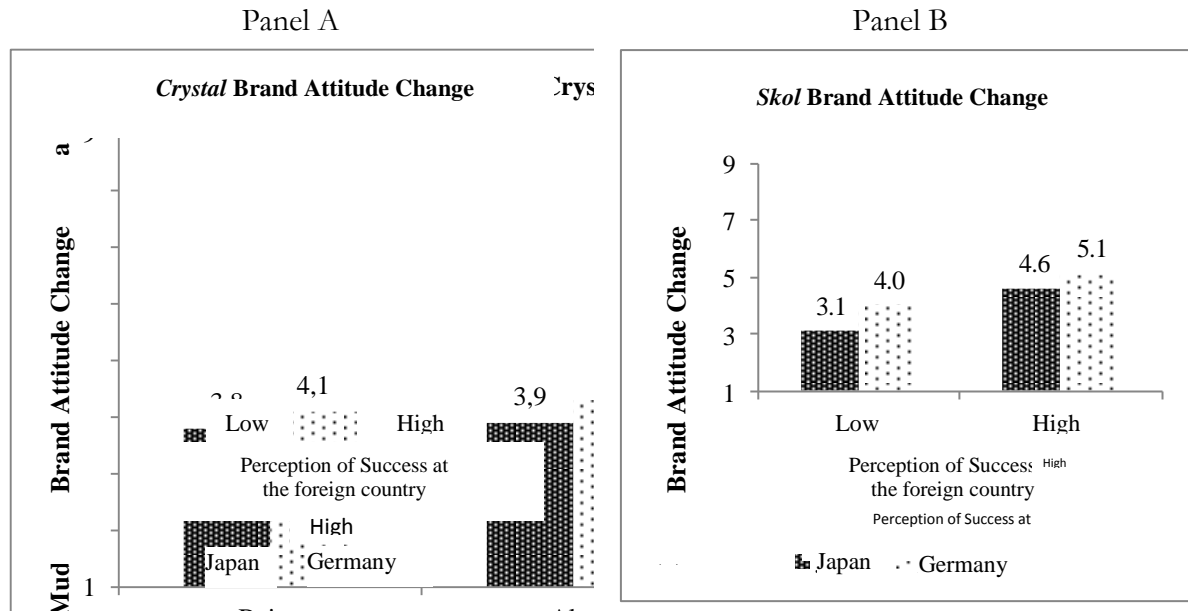
Panel A   Panel B

Figure 1: Brand Attitude Change, Perception of Success and Country of Distribution. Experiment 1b.
Source: Prepared by the author

As foreseen, the high quality brand name´s extensively traditional country of distribution effect was higher than that of poorly traditional countries whilst no country of distribution effect was verified for low quality brand names. Results also unveiled an unexpected moderating perception of success role on the foreign country effect. The perception of success at foreign countries of poorly appraised brand names did not significantly influence changes in brand attitudes. However, in the case of perceived as high quality brand names, brand attitude change effects were greater and paired with greater perception of success at the foreign country.

It´s highly likely that participants moderated change in attitude upon envisioning the brand name might not be successful overseas. In contrast, once having shaped the vision that the brand name would be successful at the foreign country, there were more shifts in attitude.

Experiment 2

To generalize experiment 1a and 1b outcomes, a new experiment was conducted pairing as stimuli a new product category and a new kind of advertisement. Procedures employed in Experiment 2 are henceforth described.

Pre-tests

In one of Experiment 1a´s pre-tests, subjects were asked to indicate which countries were deemed most traditional in the manufacturing of twenty two different product categories. The product category that generated the largest number of associations was that of beer, this having been the elected stimulus for Experiment 1a and 1b´s purposes. The second most association laden category was that of cosmetics that reaped 24 citations, France having been mentioned by 22 respondents as being the country with the greatest tradition in the production of these products. Therefore, cosmetics were employed as stimulus for Experiment 2´s purposes.

Subsequently, a list of the leading Brazilian cosmetics brand names was submitted to a sample of 28 Business Administration students of the same university and they were asked to assess each brand name employing a seven point scale (1=extremely poor; 7=excellent). The most appreciated brand name (Natura: A = 6.3) was not used as stimulus because it already has stores in Europe. Choice fell upon the second most appreciated (O Boticário: A = 5.7) and a moderately assessed brand name (Água de Cheiro: A = 4.2).

Next, ten countries (England, Korea, France, Germany, United States, Belgium, Italy, Spain, Portugal and the Netherlands) were listed and 28 Business Administration students from the same university were asked to evaluate their respective global images (1=extremely poor; 7=excellent) and the extent each country is deemed a traditional manufacturer of cosmetics (1=no tradition; 7=extensive tradition). Likewise, to eliminate the possibility of the country of distribution effect resulting from the country´s image and not from its tradition as a manufacturer of cosmetics, the most traditional country (France: A = 5.5) and the least traditional (Belgium: A = 2.5) amongst those listed, yet with paired country images (M_{France} = 5.1; $A_{Belgium}$ = 4.9) were chosen.

Once brand names and countries were selected, four mock magazine advertisements were developed (see an example in Attachment 2). Each featured an image of the country´s capital (Paris and Brussels, France and Belgium´s capitals respectively), a title ("Now the French will be as delighted as the Brazilians"), a text announcing the new brand´s arrival at the foreign capital and each brand name´s tagline ("Água de Cheiro. Beauty is being delighted" e "Boticário. Life is beautiful but can be smashing").

Subjects, Procedures and Measures

As subjects, one hundred and seventeen women (Average Age = 32.7 years) took part in Experiment 2 (country: extensive tradition vs. poor tradition) x 2 (brand name: high quality vs. average quality).

Experiment participants were recruited at hairdressing saloons by one of this study´s authors. The interviewer hand delivered the questionnaire and asked them to fill it in while remaining in the vicinity to clarify eventual doubts. All other procedures and measures were exactly the same as those adopted in Experiments 1a and 1b.

Results

Manipulation cross-checks: Both brand name assessment measures were grouped into a single index (r^2 = 0.92; p < 0.01). As predicted, the t test revealed that both brand names obtained significantly different evaluations ($A_{Boticário}$ = 7.5 vs. $A_{ÁguadeCheiro}$ = 5.7; t(175) = 5.36; p < 0.01). However, both brand name assessments scored well above evaluation scores attained by

the two brand names employed in the previous experiments. *Água de Cheiro* scored slightly above the scale´s average suggesting one can deem the same as an average quality brand name. The eleven country image scale indicators were grouped into one single index ($\alpha = 0,86$). Subsequently, both country images were t tested for comparison purposes and resulted in the conclusion that there was no significant difference between them ($A_{France} = 4.8$ vs. $A_{Belgium} = 4.5$; $t(111) = 0.98$; $p > 0.30$). Likewise, the tradition in manufacturing cosmetics scale indicators were also grouped ($\alpha = 0.90$) and both countries were compared via t testing. Results demonstrated that France ($A = 5.1$) was perceived as being more traditional in the manufacturing of cosmetics than Belgium ($A = 3.7$; $t(111) = 6.81$; $p < 0.01$).

Brand attitude change: For starters, the three brand attitude change items were grouped into one single index ($\alpha = 0.70$). Subsequently, data was analysed by means of an ANOVA 2 (brand name: high quality vs. average quality) x 2 (country: extensive tradition vs. poor tradition) brand attitude change being employed as dependant variable. As per Experiment 1b., only the country´s prime effect ($F(1.113) = 4.08$; $p < 0.05$) was observed. No brand name prime effect or that pertaining to interaction was evidenced.

Analysis included the perception of success at the foreign country and once again an effectively significant effect was unveiled. The perception of success variable was then dichotomized by the scale´s average point and brand attitude change was analysed via an ANOVA 2 (brand name: high quality vs. average quality) x 2 (country: extensive tradition vs. poor tradition) x 2 (perception of success: high vs. low).

Results revealed a prime country effect ($F(1.109) = 11.54$; $p < 0.01$), a prime brand name effect ($F(1.109) = 6.84$; $p < 0.01$), a prime perception of success effect ($F(1.109) = 35.43$; $p < 0.01$) and an interaction effect involving the three variables ($F(1.109) = 20.98$; $p < 0.01$).

Individual results were then analysed to ensure the understanding of the nature of the interaction between the three variables. First, the average quality brand name´s (Água de Cheiro) results were studied. The low perception of the brand name´s success at a foreign country was isolated and under this condition, outcomes demonstrated that there was no significant country of distribution effect ($A_{Belgium} = 5.3$ vs. $A_{France} = 5.2$; $t(35) = 0.57$; $p > 0.50$). Subsequently, high success perception results were analysed and revealed a significant country of distribution difference ($A_{France} = 7.7$ vs. $A_{Belgium} = 5.9$; $t(18) = 3.24$; $p < 0.01$).

These results suggest that the country of distribution effect on an average quality brand name only arose when consumers perceived the same´s chance of success at a foreign country as being high. When the perception of success was low, there was no country of distribution effect.

Next, results for the high quality brand name (O Boticário) were analysed. First the low perception of the brand name´s success at the foreign country condition was isolated and under this circumstance, the country of distribution effect was identified ($A_{France} = 5.8$ vs. $A_{Belgium} = 4.2$; $t(16) = 2.40$; $p < 0.05$). Then the high perception of success condition was isolated and the findings did not reveal the country of distribution effect ($A_{France} = 6.1$ vs. $A_{Belgium} = 5.8$; $t(40) = 1.09$; $p < 0.20$). Figure 2 illustrates all of these outcomes.

It is our understanding that in as much as the average quality brand name (Água de Cheiro) is concerned, the country of distribution only imparts an effect when respondents perceive that the brand name will be successful at the foreign country; when this perception is low, neither country has an effect on brand attitude change. On the other hand, there are other

explanations when it comes to the high quality brand name. When the perception of success is low, the country of distribution effect arises because only the extensively traditional country impacts attitude changes. However, when the perception of success is high, attitude changes are very positive in terms of both countries, thus eliminating the country of distribution effect.
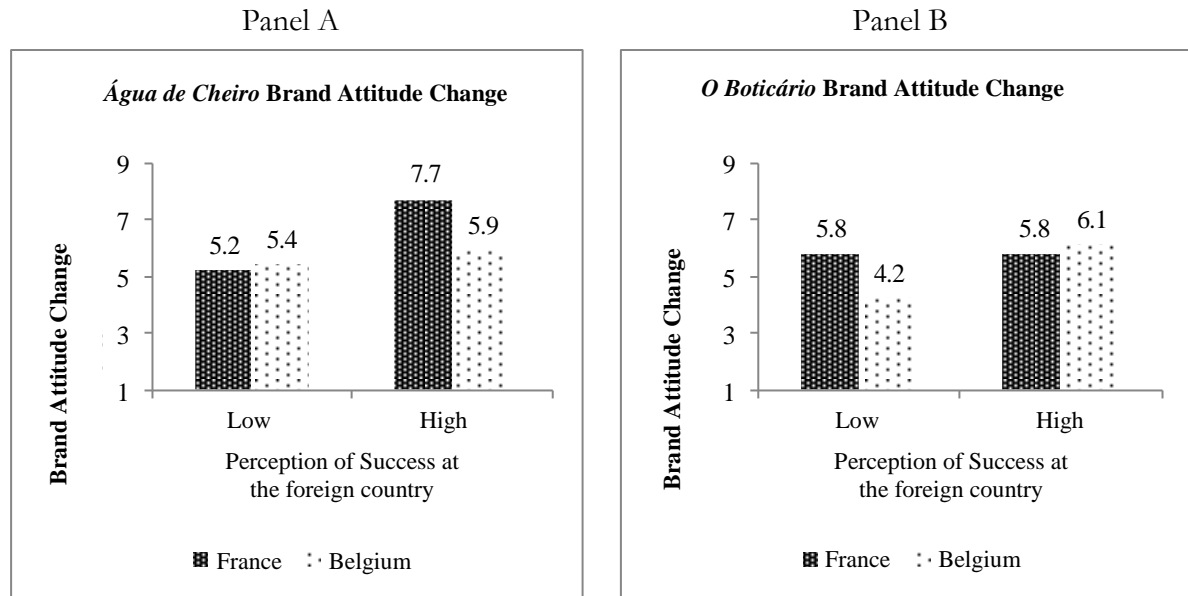
Panel A   Panel B

Figure 2. Brand Attitude Change, Perception of Success and Country of Distribution. Experiment 2.
Source: Prepared by the author

Final Considerations

The outcomes of the three experiments suggest that in fact there is a country of distribution effect, i.e., change in consumer attitude before a brand name is greater when announcements are made communicating they also sell at a country that traditionally produces the same products as opposed to at one that is not perceived as being a traditional manufacturer of the same. Moderated by the brand perception of success at the foreign country, this effect becomes increasingly pronounced the greater brand quality perception is.

This study contributes with the furthering of literature on brand globalization effects (AKRAM; MERUNKA; AKRAM, 2011; STRIZHAKOVA; COULTER; PRICE, 2008; ÖZSOMER, 2012) by demonstrating that an emerging country´s brand name once going international can reap benefits in its own home country via communicating to its domestic consumers its global expansion moves toward countries that are acknowledged for their extensive tradition in the production of the brand name´s product category. Existing literature on brand globalization effects has already demonstrated that global brand names are more attractive than domestic ones (BATRA et al., 2000). So, once an emerging market brand communicates its globalization activities it can effectively become more competitive before global developed market sprung brand names.

The findings herein also contribute with country of origin literature (HAN, 1989; HONG; WYER, 1989) when demonstrating that associations involving an extensively traditional country in the manufacturing of a given product category not only are transferable to domestic brand names but also to those that compete within that same local marketplace.

Nevertheless, this transfer mechanism should further be tested since the outcomes herein collected solely infer the existence of the transfer itself.

Additionally, this research contributes with brand management literature (KELLER, 1993) when demonstrating that existing marketing literature has not as yet explored the new form of association transfer herein evidenced.

Despite the fact that this study solely examines the country of distribution effect within an emerging economy´s context, the hypothesis that remains is that similar effects might eventually be reaped by brand names that originate from developed countries although prior studies demonstrated that global brand names are assessed in a distinctive manner by emerging country and developed country consumers (ÖZSOMER, 2012). This is an interesting topic for future research purposes.

Although several brand names appeal to "the brand is present in x number of countries" when communicating to audiences, this study identified that a brand should rather resort to a more specific appeal and state "the brand is present in country X". The study demonstrated that this approach may bring about positive effects and belief rests in this being this study´s greatest managerial contribution. Furthermore, evidence supports the understanding that even average quality brand names may benefit from this kind of communication when the announced country is widely acknowledged for the quality of locally manufactured brand relevant products.

Although announcing growth to countries that are deemed extensively traditional in the manufacturing of a given product category might prove to be favourable to emerging country brand names, companies that intend to resort to this strategy must ensure effective measures are taken to mitigate failure perceptions. Results likewise demonstrate that this is a very strong inhibitor of association transfers from a given country to the brand name.

Experiments 1a and 1b employed graduate student subject samples and Experiment 2 resorted to a sample comprising women thus limiting generalizations as to the findings herein. Outcomes were also limited in terms of product categories and specific category brand names. Future studies might thus focus on generalizing results by employing more assorted samples, other product categories and brand names.

Another limitation this study poses refers to how Experiments 1b and 2 were analysed. Although the perceived brand success variable was dichotomized, recent studies (ROYSTON; ALTMAN; SAUERBREI, 2006 for instance) suggest that this approach may bring about different outcomes as opposed to using the variable in its integral scale. When comparing results gathered by dichotomizing the brand´s perceived success variable with those that might have been obtained via regression analysis, conclusions determined that outcomes are identical. Choice thus fell upon employing the most reader friendly approach.

Optimism might be the tone but this study has led to the envisioning of an enormous potential for studies investigating the country of distribution effect. The fact that perceived success at the foreign country moderated the country of distribution effect is but one example. Nevertheless, both experiments employed as stimulus the mock advertisement announcing the arrival of a given brand name at the foreign country. The query persists: would merely reinforcing brand presence at the foreign country communication reduce the perception of the moderating effect success poses? Suppose for instance, that Sadia announces its presence at various countries to its consumers. However, when so communicating it chooses to reinforce that this is a long time presence. It seems most probable that the consumer´s rationale will tend

to define that if the brand name has long been present at the foreign country, there is no reason to cling onto negative beliefs as to its ability in being successful.

This study suggests that the country of communication effect is activated by the foreign country´s tradition in the manufacturing of the brand name´s products. However, there are at least another two possibilities of similar effect. The first involves the country of distribution effect also being activated by the country´s tradition in the product´s consumption, as in "Now, you´ll also find *Matte Leão* tea in England, the most traditional tea drinking country". The second possibility is that the country of distribution effect might also be activated by the country´s global image (BILKEY; NESS, 1982; LI; WYER, 1994; PAPADOPOULOS; HESLOP, 1990). Future studies might also concentrate in examining the effect other kinds of geographical locations other than solely the foreign country, might have. Suggestions include that the same effect might be attained if a brand name communicates presence at a foreign city or renowned store.

Another interesting future studies pathway resides in examining the role played by country of distribution potential moderating variables. Additional analysis employing data extracted from the three herein reported experiments suggest that ethnocentrism (BALABANIS; DIAMANTOPOULOS, 2004), involvement (AHMED et al., 2004) and consumer scepticism before advertising (OBERMILLER; SPANGENBERG, 1998) might moderate the country of distribution effect. There are other moderating factors that literature on home country effect covers that might also play such a role on country of distribution effects such as acquaintance with the product (ELLIOT; PAPADOPOULOS; KIM, 2010), with the country (ELLIOT; PAPADOPOULOS; KIM, 2010), driver (GURHAN-CANLI; MAHESWARAN, 2000), mood (MAHESWARAN; CHEN, 2006) and cultural orientation (GURHAN-CANLI; MAHESWARAN, 2000).

This study analysed the country of distribution effect on brand attitude change. However, since no control group was employed, research does not evidence if exposed to stimuli participant attitude is greater than that of a group of non-exposed to stimuli participants. Future studies ought to investigate this research´s gap. Likewise, future studies might examine the country of distribution effect on other variables of marketing interest such as willingness to pay for the product (KOSCHATE-FISCHER; DIAMANTOPOULOS; OLDENKOTTE, 2012). In sum, belief rests on having inaugurated a very interesting and unexplored by prior research, field of study.

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Attachment 1

**Sample advertisement script employed as stimulus in Experiments
1a and 1b**

The advertisement begins at a typical bar in Japan and several young Japanese men and women are watching Japan playing a game on television. There are several TV sets in the bar and all are paying close attention. Suddenly, the camera shifts onto the referee who raises his arms and blows the final whistle. One can tell that the players that celebrate are wearing Japan´s uniform. Next, the camera focuses on the name of Tokyo´s Olympic Stadium. The camera quickly shifts to the fans that celebrate the game´s end at the bar. One of them hails the waiter in Japanese "A shout for all!" A caption in Portuguese appears on the screen. The waiter takes the order and leaves. A larger group of fans enters the bar, celebrating. The camera now focuses on the waiter who brings a tray full of *Skol* beer. While the waiter rounds the bar, everyone starts to grab a can of *Skol* beer from the tray. The camera alternates between fans opening the can of *Skol* beer and celebrating while others are grabbing cans from the waiter´s tray. The camera zooms off on all happily enjoying themselves with a can of *Skol* beer in their hands. A background voice announces "*Skol*. The beer that rolls its way down in Brazil now also rolls it way down in Japan", in Japanese and there is a caption in that translates this into Portuguese.

Attachment 2
Sample advertisement employed as stimulus in Experiment 2

O EFEITO DO PAÍS DE COMERCIALIZAÇÃO SOBRE A MUDANÇA DE ATITUDE EM RELAÇÃO À UMA MARCA

Abstract: Esta pesquisa investiga o efeito do país de comercialização sobre a mudança de atitude em relação a uma marca. Define-se efeito do país de comercialização como os resultados (positivos ou negativos) obtidos por uma marca quando comunica que é comercializada em uma localidade estrangeira. Os resultados de três experimentos mostram que o efeito do país de comercialização é maior para um país com tradição (vs. sem tradição) na produção do produto da marca. Além disso, este efeito é maior para marcas bem avaliadas (vs. mal avaliadas) e é moderado pela percepção de sucesso da marca no país de comercialização..