Country of origin within the consumers’ decision-making process
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Abstract

Background
Country of origin (COO) has developed over the years and so has the definition, from the manufacturing COO and has now developed more into the COO of the brand. This development has led to a gap in research surrounding COO effects in combination with the decision-making process.

Purpose
The purpose of this study was to understand and explore which product information cues COO effects, along with how these cues influence the consumer's cognitive decision-making process. Leading to recommendations for companies, of how they can then use these effects in their favour.

Method
An interpretivism philosophy was used as part of this study, along with an inductive approach. Exploratory research was conducted to analyse the qualitative data during the experimental setting within three focus groups to gather in-depth views and opinions of participants. The research was gathered using convenience sampling, with limitations including the pre-bias participants had surrounding a COO.

Findings
The three most important information cues were quality, price and brand when it comes to what information consumers need to make a purchase. There is a difference in willingness to pay, perceived brand image and value surrounding COO from the COO experiment conducted between Germany and Poland. Research participants would pay on average 104 Euros more for the same product if it was a German brand over a Polish one. COO effects consumers in both a direct and indirect way, the subliminal use of COO, suggesting that the decision-making process is not completely cognitive. Similarly, consumers do not initially perceive COO as an important factor until it is brought up. However it can be said to be at the back of their minds at all times. It was also suggested that consumers have a ranking of countries within their minds and use it to aid their decision-making process. Consumers want to use the rational (intrinsic) cues (quality, design), however the extrinsic cues (brand, price) were identified as being more important.

Conclusion
In conclusion it can be said that COO is an important influencing factor on the consumers' decision-making process. COO is a factor effecting and influencing the different information cues which consumers identify as being important to their purchase. COO is seen as an influencing factor continuously effecting information cues, but more specifically price, brand and quality. Brands with 'higher' perceived COO's can thrive under their competitive advantage, whilst brands with a 'lower' perceived COO do not do as well.
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1. Introduction

Throughout this introduction, the background of the topic as well as the problematisation will be discussed. The purpose of the study will also be outlined and the limitations will be thoroughly addressed in order to give the reader a clear and concise understanding of this thesis.

1.1 Background

The development of the world has led to an ever-rising increase in international trade and to the phenomenon widely known as globalisation (Dickens, 2015). Nations open their borders and allow foreign companies to enter their markets. This development has also enabled local companies to buy and sell their products in other markets, ultimately leading to higher levels of competition, along with brand differentiation in today's markets (Dickens, 2015). This means that consumers have to consider which brand they choose in order to satisfy their needs of a certain product or service.

As a result of this, firms have to come up with ideas and ways to appear unique and selectable to the consumer. Hence, firms create their very own brand identity. One tool, among many others, which firms utililse is the so called country of origin (COO). It can help to create a brand image in the mind of the consumer, and as a consequence the COO can influence the consumers' decision-making process (Verlegh, Steenkamp & Meulenberg, 2005).

Ghauri and Cateora (2010) define these effects, deriving from the COO as the influence the manufacturing country has on the negative or positive perception of a consumer towards a certain product. However, Usunier (2011), acknowledges that the perception has changed. He suggests the consumers' perceptions related to the COO, nowadays derive from the country of the brand rather than the country in which the same product had been manufactured. Jaffe and Nebenzahl (2006, p.29) look at it in a similar way, as they state that the COO effects refer to those countries that the consumer associates as the origin of the brand or products.
Especially when dealing with high-involvement products, COO can be very valuable. The level of involvement a consumer has towards the purchase of a product is dependent on the personal interest a consumer has in it. However, on the contrary to low involvement products, high involvement products tend to be more expensive and therefore riskier as a purchase. Hence, these products require more information before the purchase, e.g. price, quality, etc (Law, 2016).

The reason behind this importance of COO is based on a simple assumption: the consumers' decision-making process is cognitive and therefore is somewhat a rational process (Bloemer, Brijs & Kasper, 2009). Hence, consumers rely on information about a product before making their decisions. Simply retrievable information, such as the brand's COO or the manufacturing country can help shape the consumer’s attitude towards a product.

This product evaluation is influenced by extrinsic (associated with the product) and intrinsic (part of the product) information cues and functions as the basis for a consumer’s purchase decision (Idoko, Nkamnebe, Ireneus & Okoye, 2013).

### 1.2 Problematisation

Whilst most of the research in this field has made clear that the COO has an effect on the consumer, scholars remain disbanded about how exactly these effects impinge. Roth and Romero (1992) argue that there has to be a match between the COO image as well as the product image, in order for COO to have a measurable effect on the consumers purchase decision. Other studies such as; Gripsrud and Nes' (2010) have solely focussed on a variety of countries and tried to measure their respective helpfulness when it comes to the COO of a product.

However, as Magnusson and Westjohn (2011) mention, there is a lack of research on COO effects in combination with the decision-making process of the consumer. They state that in recent years there has only been a handful of studies, connecting COO and its effects with a decision-making-model.
This, combined with the findings of Usunier (2011) that the perception of COO in the consumers mind has moved from the manufacturing country to the brand’s origin, showing a research gap in this field. Therefore, there has been almost no research within how the COO is connected to the decision-making process of the consumer, taking Usunier’s (2011) new view of COO into consideration.

As aforementioned, the decision-making process of a consumer is assumed to be cognitive and rational. Therefore, in order for consumers to make a decision, especially when talking about high involvement products, information is needed. Usually this information about products consists of intrinsic (e.g. quality, design, material, etc.) and extrinsic information cues (e.g. brand, price, store reputation, warranty, etc.) (Bloemer et al., 2009).

This leads to the first of two research questions, on which this thesis is based on, as shown below:

1. (a) Which information cues are affected by COO?
   (b) How do the COO effects influence the information cues in a cognitive decision making process?

From a companies’ point of view, the understanding of these COO effects can be crucial. However, the next step is to find a way to use these effects in their favour. This leads to the second research question:

2. How could companies/brands attempt to use these effects in their favour?
1.3 Aim of the Thesis

The aim of this study is to understand which product information cues COO affects, how they interact with one another and how this influences the consumers' cognitive decision-making process.

1.4 Delimitations

Delimitations are choices which have been made by the researchers in regards to the direction and scope of the research. This also includes the direction in which the researchers do not intend to take with their research. This research is primarily focusing within the area of COO towards the cognitive decision-making process of Western consumers, as outlined above. Therefore, the literature does not focus on the specifics such as international COO, COO labelling and the marketing of COO to name a few examples. Although elements of these areas may be mentioned, these are not highly significant in terms of answering the research question.

This research does not use any pre-existing theoretical models in order to analyse the research based from founded academic scholars. This was ultimately due to the gap in research which is identified in this paper. Therefore, the researchers chose to analyse all relevant data through their own model in order to better suit the research question. The research also only focuses on the subliminal effects of two countries (Germany & Poland) in order to limit the scope of the research and allow a focus to be directly on the two countries. The reason for these countries being chosen is discussed in greater detail within the methodology chapter of this paper.

Furthermore, this study focuses only on generation Y (born between 1980-1999) representatives, with no other generation sample group being taken into consideration for the purposes of this research. The reason for this is to limit the scope and have an achievable sample group, generation Y were also chosen due to the ease of access to participants for the focus groups.
1.5 Thesis outline

This thesis is outlined as follows:

In chapter 1, the background of the topic is presented, followed by the explanations surrounding the problematisation along with the research questions. Subsequently, the aim of the thesis will be defined before the delimitations of this study will be discussed.

In chapter 2, all previous research used as the basis for the theoretical framework will be presented. It includes the topics of COO, the cognitive decision-making process, with the connected intrinsic and extrinsic information cues as well as high involvement products. A research model is also proposed which inherits all assumptions made throughout this chapter.

In chapter 3, an in-depth discussion on the chosen methodology of this study is being held. This includes the reasoning behind the outline of the study and the choices concerning the focus group outline are presented.

In chapter 4, the empirical data is presented and interpreted, along with connections to previous research in the respective areas are drawn before going deeper into the analysis of the proposed research model. The chapter ends with a discussion surrounding the main managerial implications.

In chapter 5, the study is then summed up and concluded. Limitations are discussed and an outlook on further research within the field is given.
2. Theoretical Framework

This chapter provides a literature review of previous research in this field and functions as a framework for this thesis. This section also covers the subject of COO and how it influences the consumers’ cognitive decision-making process. Moreover, it concludes to a theoretical framework and introduces a model in an attempt to visualise the assumptions.

2.1 COO

2.1.1 Background

The phenomenon of country of origin (COO) is said to date back to 3,000 B.C.E in Egypt, where branding characteristics such as the name and origin of the manufacturer were found on items from this era (Wengrow, 2008). COO was then developed further by the British, who introduced the ‘Merchandise Marks Act 1887’ in order to make clear where imported goods were coming from. Therefore, any goods coming into Britain were required to have been stamped prior with the COO (National Archives, n.d.). However, the Germans, Swiss and Japanese triumphed and surfaced out in front, with their ‘Made in Germany’, ‘Made in Switzerland’ and ‘Made in Japan’ stamps. This indicated quality and a strong reputation of these countries as the leading in manufacturing and exporting (Kotler & Gertner, 2002). This also negatively affects countries such as Suriname or Myanmar, which carry doubts over the quality of their products resulting from a low COO image (Kotler & Gertner, 2002).

Dichter (1962, p.162) was one of the first to describe that the COO can have a “tremendous influence on the acceptance and success of products” and thereby marks the beginning of research in this area. This idea of Dichter was further confirmed by Schooler (1965), who conducted the first empirical tests surrounding the COO phenomenon, with his findings certifying Dichters assumptions. The groundwork done by Dichter and Schooler paved the way for one of the most researched topics in international marketing. Not only in the early years of COO research but also today there is broad interest and yet, a lack of understanding in this field (Magnussen & Westjohn, 2011).
Many studies have been conducted with almost as many different outcomes, which is mainly due to the broad range of diverse settings. Magnusson and Westjohn (2011) have attempted to sum up the most recent research on COO and state that up until now most studies focussed on how different COO related factors positively or negatively influence the product judgement.

Roth and Romero (1992) for example state that the COO only has an effect on the buying behaviour of consumers if the image of the country and product match. Gripsrud and Nes (2010) found this study as highly important as it sets the framework for companies to use the COO in their marketing strategies. Moreover, it was the first study that showed at which point COO was important as a tool. Other research was built on case studies and therefore especially valuable for a single industry or country. The other major research areas they have discovered within this field are the outcome variables and country image. Research focussing on the outcome variables deals with attitudinal measures such as perceived quality (Bilkey & Nes, 1982), perceived value and the correlation between COO and other variables e.g. brand personality (Fetscherin & Toncar, 2010) or product trust (Jimenez & San Martin, 2010; Michaelis, Woisetschlager, Backhaus & Ahlert, 2008). The field of country image research focuses on the countries themselves and inherits research of for example country brand equity (Zeugner-Roth, Diamantopoulos & Montesinos, 2008) or country equity (Pappu & Quester, 2010).

2.1.2 Modern perspective of COO

Originally, COO impact was viewed as descending from the manufacturing origin of a certain product (Verlegh & Steenkamp, 1999; Phau & Chao, 2008). However, a variety of more recent studies have questioned this outdated concept (Usunier, 2011; Samiee, 2011). Samiee (2011) argues that with the ongoing globalisation, the world is not the same as it was when the research in this field began. Nowadays, it is common for companies to source their raw materials from all over the world and the manufacturing origin is hard to determine with many products.
Therefore, Usunier (2011) states that the consumer’s perceptions related to the COO, nowadays derive from the country of the brand rather than the country in which the same product has been manufactured. Jaffe and Nebenzahl (2006, p.29) have a similar argumentation, as the view in their paper sees the COO effects refer to those countries that the consumer associates as the origin of the brand or products.

Their study also goes in the same direction as a relatively new concept, called brand origin recognition accuracy (BORA), and was introduced by Samiee, Shimp and Sharma (2005). They, among others (Balabanis & Diamantopoulos, 2008), have found that consumers lack knowledge of brand’s origins. Liefield (2004) even concluded that this means COO research is not as important as previously suggested. However, the interest in COO studies did not flatten, but started taking new directions. Balabanis and Diamantopoulos (2008) for example found factors influencing consumers brand knowledge. Other authors (Zhuang, Wang, Zhou & Zhou, 2008; Zhou, Yang & Hui, 2010) argue that eventually the perceived COO influences the consumer.

2.1.3 COO and the decision-making process

The reason behind the everlasting importance of COO, as mentioned above is based on a simple assumption:

**That the consumers’ decision-making process is cognitive and therefore a somewhat rational process (Bloemer et al., 2009).**

Hence, consumers rely on information about a product before making their decisions. Simply retrievable information, such as the brand’s COO or the manufacturing country can help shape the consumers attribute towards a product. This assumption, connected to the findings of previous research can only conclude in the assumption that the COO effects play into the consumers’ decision-making process.
Ethnocentrism is another element impacting COO, and surrounds the idea that consumers prefer to buy products from their home nation over other foreign nations (Sharma, Shimp & Shin, 1994). The role COO has with ethnocentrism is that consumers perceive their home nation’s products as having an increased level of trust and that they appreciate that it has been manufactured in their country, including a positive effect for their economy (Ling, D’Alessandro & Winzar, 2015). Ethnocentrism also has an impact on imported goods, with some consumers preferring goods which have a similar COO to their own (Balabanis & Diamantopoulos, 2004). Furthermore, Shimp and Sharma (1987) add that there are also high ethnocentric consumers who will completely avoid buying foreign products to protect and support their home nations, linking to patriotism.

Willingness to pay on COO also affects the buying behaviour of consumers. Research conducted by Drozdenko and Jensen (2009) found that consumers are willing to pay a premium price for products which have a COO from a developed country over a less developed country. Moreover, Eastman, Goldsmith and Flynn (1999) explain that a number of consumers buy products in order to increase their social status as well as show and prove to others, along with themselves. Consumers can view products as more authentic and exotic if they have a rich product country imagery, thus, increasing the willingness to purchase (Verlegh & Steenkamp, 1999). Verlegh and Steenkamp (1999) also highlight that consumers can be emotionally attached to aspects of a products COO, ultimately increasing the willingness to pay for a consumer to make a purchase. This emotional attachment can also come from feelings of national pride and/or memories from previous holidays in a certain country (Botschen & Hemettsberger, 1998).

Further to ethnocentrism and willingness to pay, stereotypes are also defined as having an influence on COO. Stereotypes are generally defined by the Oxford Dictionary as “a widely held but fixed and oversimplified image or idea of a particular type of person or thing” (Oxford, 2018b). This definition is also linked to National stereotypes, with COO stereotypes having an impact on product evaluations (Heslop & Papadopoulos, 1994; Chattalas, Kramer & Takada, 2008).
COO is a heavily affected attribute which results in the product being subject to either positive or negative associations with certain nations (Verlegh & Steenkamp, 1999). These associations are formed through direct (travelling) or indirect (media) exposure with this idea of the country being carried through to build the overall view of a country (Verlegh & Steenkamp, 1999). This overall view of stereotypes is then used to make inferences when a consumer has inadequate information about another product during the consumers buying process (Chattalaset et al., 2008). Chattalaset et al. (2008) further explain that COO has the potential to impact purchase intentions directly, with consumers taking no other product information into consideration.

Similar to the section above surrounding national stereotypes, below is also linked to the ideas consumers have and how COO effects visualise. Most commonly, research refers and cites to the following four theoretical ideas:

1. Halo-effect
Johansson, Douglas and Nonaka (1985) were the ones to describe and name this effect. It refers to situations, in which the consumer is not familiar with the products originating from a specific country. Here, the image of the COO is the “halo” which affects the consumer's attitudes towards the product. Thus, it eventually influences the overall evaluation of the particular product as well as any other product from this country the consumer comes across in the future. Oftentimes this effect is said to be rather weak as additional product information is missing (Bloemer et al., 2009).

For example, a consumer could come across a brand or product from New Zealand and cannot link this country to any other products or brands. In this case, the consumers product evaluation is influenced by their perception of the country itself, hence the country image. In case the perception of New Zealand is positive in the mind of a consumer, the affects the attitudes towards the product in a positive way as well. Sometimes the consumer even links specific country attributes, e.g. the “laid back attitude” in the case of New Zealand, with the product.
2. Summary construct effect

This effect describes the conclusions a consumer draws on the COO based on all the products and brands they know that originate from the particular country. Hence, the summary of these previous impressions can indirectly influence the attitude towards the brand and thus, have an influence on the evaluation of the product (Han, 1989; Ahmed, Johnson, Yang, Fatt, Teng & Boon, 2004).

Johansson (1989) describes it as shortcut to the purchase decision, as consumers use it to simplify their evaluation. Hence, this construct of information allows them to evaluate a product directly without examining further information. Moreover, the summary construct effect can be positively applied to the appraisal of a country’s products, which is then associated with the overall country’s image (Park, Park & Dubinsky, 2011).

Staying with New Zealand as an example, the consumer would take into consideration all brands and product they know from this country. E.g. Speights Brewery, the All Blacks or Air New Zealand. Assuming the consumer links these brands with attributes such as ‘cool’, ‘funny’ and ‘trustworthy’ they would then see New Zealand brands as positive and project this general view or even the attributes themselves onto the evaluation of the product in question.

3. Product-attribute effect

Two studies by Hong and Wyer (1989, 1990) first described the product attribute effect. They state, that the COO of a product creates a curiosity about its quality and hence encourages consumers to deal with additional attributes. This goes along with further research conducted by Li and Wyer (1994) as well as Hadjimarcou and Hu (1999) who also argue along these lines.

However, the setting of these studies was somehow particular, as there was a time delay between exposing the COO as well as additional product information. Hence, it can only be argued in favour of this effect in a specific setting and process (Hong & Wyer, 1990).
4. Default heuristic effect

The default heuristic effect combines aspects of the halo and summary construct effect and expand their respective concept (Bloemer et al., 2009). The definition states that if the COO cue is processed together with additional information on a product, it results in an interactive and interconnected effect on the eventual evaluation of a product. This means that the cues basically influence each other’s interpretation and has been explained as an elaboration mechanism (Hadjimarcou & Hu, 1999).

As it is a combination of both, the halo-effect and summary construct-effect, it makes sense of all available information merged together. Going back to the example of the summary-construct effect, the consumer’s project attributes towards known brands with the same COO onto the new and unknown product. The default heuristic-effect describes how these information are processed alongside others, for example price. The consumer is able to make sense of the price and perceive it as high or low depending on the attitude they formed towards the unknown product. In laymen’s terms, the COO effects described within the halo-effect and summary construct-effect influence the consumers’ perception of other information cues such as the brand, price or quality of a new, unknown product. Moreover, these cues also affect one another, as the perception of e.g. the brand can lead to a certain perception of the quality cue.
The following table summarises the main aspects of these effects again and helps to determine the differences between them.

| Halo effect | - Country Image affects product perception  
| - Lack of knowledge of other products / brands from this country  
| - Lack of additional information  
| - Effect usually rather weak |

| Summary construct effect | - Previous experience with products and brands of a certain country affect perception of country image and unfamiliar products from the same country |

| Product attribute effect | - COO creates curiosity about quality and encourages to find more information  
| - Found only in particular experimental settings |

| Default heuristic effect | - The COO cue is processed together with additional product information  
| - Leads to interactive and interconnected evaluation of product |

*Figure 1: Overview of COO effects*

The aforementioned effects are briefly described by only a small number of scholars, hence difficulties arise in order to have an in-depth discussion on these effects. However, they are very important in the attempt to understand how COO operates within the consumers’ decision-making process.

Although literature and research between COO and subliminal effects of marketing are limited, the research of subliminal marketing is still relevant for this study. Subliminal marketing is defined as situations where individuals are unaware of the subliminal effects which are being directed towards them and can only be made aware of it when attention is drawn to it (Dixon, 1971).
Research conducted by Cristel (2002) found that subliminal advertising is used by organisations in order to have an impact on the purchase decision. Therefore, if subliminal advertising is used in order to impact a purchase decision it has the possibility to effect the consumers’ decision-making process, albeit not the cognitive process but equally as important.

2.2 Intrinsic and extrinsic cues

As mentioned previously, Bloemer et al. (2009) see the consumers’ decision-making as a cognitive and somewhat rational process. From a cognitive decision-making standpoint, each product consists of intrinsic and extrinsic information cues on which the consumer relies on when making a purchase decision. Olsen and Jacoby (1972) defined these so-called information cues as a collection of attributes used by consumers to create an impression about a product. As the theories on how COO effects visualise are all based on these assumptions, the following section will introduce and explain this further.

**Intrinsic cues**

Idoko et al. (2013) explain that intrinsic cues are characteristics directly inherent in the product itself, e.g. Material, Quality, Colour, etc. Even though researchers such as Alba (2000) or Kardes, Cronley, Pontes and Houghton (2001) have found, that consumers lack an ability to accurately evaluate intrinsic cues, the previous parts of this chapter have introduced studies recognising COO effects on these intrinsic information cues. Han (1989), for example, acknowledges that the COO shapes consumer’s perception of a products quality. Bilkey and Nes’ (1982) study suggests likewise, however they argue that the COO effect on perceived quality might only be limited.

**Extrinsic cues**

Idoko et al. (2013) refer to extrinsic cues as information that is related to the product but not part of it. Studies have shown that the most researched and influencing extrinsic cues are the following:
1. Brand
Srinivasan, Jain and Sikand (2004) as well as Zellner and Durlach (2003) among others, have found out that the brand of a product is one of the most important extrinsic cues. Brand related cues such as reputation (Bearden & Shimp, 1982; Liefeld, 1993), advertising (Milgrom & Roberts, 1986) or brand name (Srinivasan et al., 2004; Zellner & Durlach, 2003) have also been found as influencing factors.

Taking all this into consideration, it can be concluded that everything associated with the brand at large, e.g. brand image, brand equity, etc. is part of this extrinsic cue.

2. Price
As common sense suggests and many studies have shown (e.g. Khaniwale, 2015; Boztepe, 2012) the price of a product is a very important information cue and thereby an important factor in a consumer’s cognitive decision-making process. Moreover, Drozdenko and Jensen (2009) state that the COO has an effect on the consumer’s willingness to pay a premium price for a product. Hence, this implies that this information cue is also influenced by the COO. Drozdenko and Jensen’s (2009) study suggests consumers perceive a higher price as acceptable if the product’s COO has a positive perception in their minds.

2. COO
Literature has referred to the COO as an extrinsic information cue that directly influences the consumers’ cognitive decision-making process (Bloemer et al., 2009).

However, the extensive review of the literature towards COO shows that COO affects the other cues, extrinsic as well as intrinsic. Drozdenko and Jensen (2009) for example have found out that the COO does influence the consumers’ willingness to spend more or less money on a product. In addition, there have been a variety of studies with findings about COO effects on the perception of a brand image and hence brand equity.
Fetscherin and Toncar (2010) for example, were able to draw a connection between the COO and the brand’s personality. This shows the influence that COO apparently has on brand-related perceptions, which allows to assume that the COO cannot be seen as a direct influence towards a consumer’s product evaluation but an information cue that influences a number of other cues.

These cues can be extrinsic (e.g. Brand, Price) as well as intrinsic (e.g. Quality) and can be indirectly influenced. The contribution of these information cues to the consumer’s product evaluation thereby influences a consumers’ decision-making process. As mentioned above, Li and Wyer (1994) as well as Hadjimarcou and Hu (1999) have confirmed this, as their respective studies found that the COO appears to affect the perception of other product cues too and hence, cannot be seen as simply another product attribute on its own. The explanations of the default heuristic effect deliver further evidence to the argumentation above, as it shows the intertwined connection between COO and other product attributes connected to those information cues.

2.3 COO and High Involvement Products

As mentioned in the introduction chapter, high involvement products tend to be more expensive and conclusively a riskier purchase. Advancing, this means that the consumer demands and requires more information (e.g. price, brand, COO) before making such a purchase (Law, 2016). The connection with the cognitive decision-making process becomes clear, as this process is assumed to be rational and therefore relies on a variety of information on a specific product.

Leading on, this means that especially for high involvement products, the consumer has to process a lot of information, both intrinsic and extrinsic. Conclusively, it implies that high involvement product purchases are well thought through and are based on a rational process.
As explained previously, COO influences this rational decision-making process. Previous research has not been able to come to a common denominator in terms of whether COO effects increase or decrease with an increasing involvement in a product. Most scholars argue that the effects decrease with an increasing involvement as consumers tend to turn to more visible brand and product information (Verlegh, Steenkamp & Meulenberg, 2005; Maheswaran, 1994). Shahzad (2014) on the other hand, argued that COO effects increase the higher a consumer’s involvement with a product is, suggesting that they are more involved in information searching.

2.4 COO Influence Model

Nowadays, all sorts of information on nearly every product in the world can be retrieved within minutes and seconds. The digitalisation has led to an information overload and therefore it can be assumed, that especially within high involvement purchases, a variety of intrinsic and extrinsic information cues are available.

These explanations in connection with the previous parts of this chapter have led to the implementation of the following model. This shall be used as the conceptual framework of this study as it summarises the aforementioned literature review on COO and the cognitive decision-making process. It apprehends Pharr’s (2005, p.34) conclusion, that “a product’s COO can influence consumers’ evaluative judgments of the product” and makes assumptions on how these influences might visualise.

As per the above implementations, it can be suggested, that the COO has a strong effect on the consumers brand information cue. However, previous research suggests that it also influences the perception of product attributes such as quality and material. It also suggested that the COO also has an effect on the perception of the price.
According to Teas and Agarwal (2000), and Wansink, Park, Sonka and Morganosky (2000) extrinsic information cues tend to be perceived more trustworthy and reliable than the intrinsic cues. However, this will not be shown in the model due to the qualitative nature of the research and the inability to measure and scale the actual strength of the effects.

![Proposed COO influence model]

**Figure 2: Proposed COO influence model**

This framework consists of the assumptions made within this chapter. As explained throughout the last section, the purchase decision is based on the evaluation of the product. In order to evaluate a product, information is needed. In the case of high involvement products, the amount of information needed increases and a cognitive process is present as a basis of the evaluation.

Information is generally composed of extrinsic and intrinsic information cues. Extrinsic cues describe everything that comes with a certain product but is not the product itself, such as the brand and the price. In this model, brand and price are shown as extrinsic cues, as they are the most frequently mentioned within previous studies and existing literature. On the other hand, intrinsic cues are those, associated directly with a product, such as the quality, material or other product specific attributes.
Even though previous research describes COO as an extrinsic cue and a product attribute itself, this paper argues otherwise. Based on the argumentation within this chapter, the model shows COO as an independent influence on all extrinsic and intrinsic information cues. As this model is based on a high-involvement product purchase, the COO cue is expected to have a great influence on the consumer's purchase decision, as argued by Shazad (2014). In terms of the research question, this model aims to explain how the COO of a product influences a consumers’ product evaluation and thus, the decision-making process. It takes in consideration that COO might be a more subliminal effect and even though it strongly influences the product evaluation, cannot be seen as just another product attribute or information cue itself.
3. Methodology

The purpose of this chapter is to outline and explain precisely how this research was conducted. The importance of a methodology is paramount in regards to effectively answering the research question and ultimately creating accurate and conclusive information (Williamson & Bow, 2002). The research design, including the methods used will be outlined in this chapter, along with explaining exactly how the data collection process was executed and analysed in order to critically answer the research questions.

3.1 Research Philosophy

The research philosophy section concerns the nature and process of how research is conducted, which in turn underpins the author's beliefs regarding the process of how the data will be gathered, analysed and presented. (Saunders, Lewis & Thornhill, 2012). Research must not only be philosophically informed, but it should also allow consideration to the different philosophical choices, defending them to the alternatives which could have also been adopted (Johnson & Clark, 2006). Therefore, this research methodology section aims to critique each variant which will be used to complete the various different aspects of this research.

3.1.1 Positivism vs. Interpretivism Philosophy

The research philosophy can be defined as either a positivism or an interpretivism philosophy. A positivism philosophy which is regarded as the scientific method of the two is concerned with working within a social reality which has the possibility to be observed (Remenyi, Williams, Money & Swartz 1998). This philosophy also focuses on data being gathered at a distance from the research participants, rather than interacting and discussing phenomena directly with a participant (Holden & Lynch, 2004).
An Interpretivism philosophy is usually defined as being the contrary to the philosophy as it is concerned with connecting with people, along with hearing about their lived experiences in order to better understand their views and opinions (Ritchie, Lewis, Nicholls & Ormston, 2013). Therefore, this philosophy aligns itself with the use of qualitative data, due to the fact that the discussions and opinions held during research directly link to ‘text heavy’ qualitative data, over statistical and ‘numerically heavy’ quantitative data such as surveys and structured interviews (Saunders et al., 2012).

The philosophy which was used for the purposes of this research is the interpretivism philosophy. This decision relates to the information stated above and its proximity to the research being conducted. It aims to evaluate and discuss consumer's attitudes and intentions surrounding the purchase of a high involvement product. This being said, an interpretivism philosophy is relevant as it is concerned with qualitative information rather than the positivism philosophy (Ritchie et al., 2013), which focuses more on surveys and structured interviews, which is linked to quantitative data. On the contrary, this research aims to conduct focus groups to analyse the views and opinions of the research participants, in order to explore the research question further. The interpretivism philosophy also views individuals as being conscious of their own decisions and thinking, which relates to this research in terms of the opinions and feelings of participants (Saunders et al., 2012). On the other hand, a positivism philosophy views an individuals actions as social norm, aligning the majority of people together. (Saunders et al., 2012)

### 3.2 Research Approach

The section discusses which approach will be taken to complete the research. In terms of the type of data used, it can either be qualitative or quantitative, or both can be used with a mixed methods approach. The research approach also discusses whether or not to take the inductive or deductive approach to complete the research.
3.2.1 Quantitative vs. Qualitative

Quantitative marketing research is defined as research which uses empirical assessments, relying on measuring numerical measurement and analysis (Babin & Zikmund, 2016). Whereas, qualitative marketing research is defined as research which is not characterised by numbers, and is instead textualised, visual or oral (Saunders et al., 2012). Babin and Zikmund (2016) further explain that qualitative data focuses more on storytelling, meaningful characterisations and various expressive descriptions, which simply cannot be shown as easily and as simple through quantitative information.

Taking the above information into consideration along with the purpose, it is clear that carrying out the research with the use of **qualitative data** will not only extend and broaden the understanding of the research but also allow the opinions of participants to be critically analysed (Malhotra, Birks, Wills, 2012).

This research will mainly focus around the views and opinions of consumers, which generally comes in the form of discussions, which can be difficult to quantify (Chandler & Owen, 2002; Saunders et al., 2012). Therefore, this research will rely solely on qualitative information from the focus groups which will be used to gather the information. Furthermore, as focus groups will be used, this means there will not be an extensive number of people taking part in the research, with a maximum of 17 participants. This allows the opportunity to take more text and in-depth data in the form of the understanding of activities, choices and attitudes which the focus group participants have (Ereaut, 2002).

As a qualitative research method will be used in this research, it increases the breadth and depth of knowledge which will be gathered. This is another reason why the research will not be conducted with the use of quantitative data. Shukla (2008) describes quantitative data as; helping to increase the generalisability of data (Shukla, 2008), which is due to the large population sample (Kolb, 2008).
Furthermore, Gordon (1999) highlights that qualitative thinking allows a number of possibilities to be identified in either a positive or negative fashion for a brand. This is something this paper wishes to complete, to include recommendations to brands in order to improve their understanding and/or adapt their marketing strategy.

3.2.2 Inductive vs. Deductive

According to Saunders et al. (2012), there are two main types of approaches in order to conduct research: inductive or deductive. These will now be discussed below, highlighting the most relevant for this study.

An inductive approach is an approach which is concerned with generation of new theory, which has surfaced from conducting research (Woodwell, 2014). Therefore, this approach focuses on a new phenomenon or a previously researched phenomenon from a different point of view. Inductive approaches also go more in-depth, asking questions and exploring opinions which are more effectively tackled through using qualitative data (Fereday & Muir-Cochrane, 2006). An inductive approach also “generalises from the specific to the general” (Saunders et al., 2012, p.144), meaning research conducted in a small setting is then generalised in the findings of research.

Deductive approaches on the other hand are the contrary, in regards to theory, as this type of approach aims to test theory which already exists, then verify it by testing hypothesis or with a research question (Saunders et al., 2012). Fereday and Muir-Cochrane (2006) highlight that deductive approaches are also normally associated with quantitative data as they are able to generalise with large statistical data sets. Deductive approaches are also the opposite in terms of generalisability, as it derives “from the general to the specific” (Saunders et al., 2012, p.144), meaning research is normally conducted on a larger scale is then made more specific in the findings of research.
Considering the above information surrounding the two approaches, an **inductive approach** will be used for the purposes of this study. This study aims to go more in-depth, in order to gather people’s opinions, ideas and thoughts during the research. This allows the authors to explore the effects of COO deeper within the purchase process, something which if using a deductive approach would not be able to provide such in-depth analysis.

Moreover, this research uses qualitative information, which is generally associated with inductive research, whilst deductive research is concerned with large statistical data sets in order to generalise research, hence is relevant for this study. This generalisability aspect of inductive allows the research to focus specifically within the focus groups, then generalising the data in the finding of the research, whereas deductive is the opposite. Furthermore, a deductive approach uses hypothesis in order to test theories, however this study only uses research questions in order to explore a phenomenon, such as COO in this case.

### 3.3 Research Design

Saunders et al. (2012) highlights that the research design should be aligned directly with the research question, that being said this research will take the form of exploratory research. Exploratory research aims to explore and clarify unclear situations, helping to discover ideas and further extend the knowledge of research (Babin & Zikmund, 2016).

Exploratory research is also mostly qualitative in nature, as it allows for more space to explore opinions and ideas (Shukla, 2008). Malhotra et al. (2012, p.86) also add that qualitative research “cannot realistically represent particular qualities” when using exploratory research.

Exploratory research can also be useful in aiding the understanding of a marketing problem, as well as identifying possible opportunities within the market (Babin & Zikmund, 2016).
This relates to the research questions concerning how managers/brands can use the results of this research to aid their understanding of the consumer they want to target. Moreover, Malhotra et al (2012) recommend convenience sampling (which was used to gather research participants in this study) should not be used in either descriptive or causal research, only recommending it for exploratory research in order to generate ideas and further insights.

This research is neither defined as descriptive, nor Causal research but ultimately as exploratory research. Descriptive research describes characteristics and functions, whereas the primary focus of exploratory research is the discovery of ideas and thoughts (Shukla, 2008). Descriptive research also has a structured and large research design in comparison to the exploratory research being conducted, which is flexible and unstructured, along with having a relatively small sample size (Malhotra et al., 2012).

Causal research is concerned with making causal inferences and in terms of what brought something about. Therefore, causal research aims to identify cause and effect relationships (Babin & Zikmund, 2016). As this research analyses consumer’s attitudes and intentions, causal research would not be possible for this research as attitudes and intentions vary from person to person and are therefore difficult to quantify.

3.4 Data Collection

For the purposes of this research: empirical, secondary and primary data have been used in order to achieve the research questions. Empirical and secondary data was primarily collected for the purposes of fulfilling the literature review section of this research. The secondary data sources consisted of marketing theory books, journals and academic articles sourced directly from the Jönköping University Library, Google Scholar or Primo.
All information/data used in this thesis document is referenced accordingly in the reference chapter at the end of this document according to the Harvard APA style referencing.

3.4.1 Data Collection Method

There are numerous ways of collecting data, all of which could have been used in this research. However, this study uses qualitative data as the way of conducting the research, therefore methods such as focus groups, in-depth interviews and open-ended questions become more relevant (Kolb, 2008). Quantitative methods such as surveys, are more concerned with generalisable statistical data and outcomes which are more generalised and not as specific as qualitative research methods (Saunders et al., 2012).

Therefore, **focus groups** were selected as the most appropriate research method to address and complete the research questions of this study. Focus groups are a method of primary research, where a small group discussion takes place in order to obtain ideas and opinions from focus group participants (Aaker, Kumar, George & Leone, 2011).

Focus groups are described as a “small discussion about some research topic led by a moderator who guides discussion among the participants” (Babin & Zikmund, 2016, p65). Furthermore, focus groups are a flexible way for participants to give their feedback over more traditional research methods such as one-to-one interviews. However, Aaker et al. (2011) describe as being more structured and rigid, therefore not suitable for the conversational aspect which this research requires.
3.4.2 Familiarity

Babin and Zikmund (2016) explain that most focus groups are usually conducted in a room containing a two-way mirror, which is something which was not possible for this research due to the limited resources of facilities and financing. However, since all the focus group participants were students at Jönköping University and the focus group was held in the university, this allowed participants to be in a familiar environment. Saunders et al. (2012) explain that this can make participants more at ease and relaxed, which encourages them to share their thoughts and opinions more openly and freely, making the focus group richer with information.

This familiarity continues in the research as Shukla (2008) suggests that having participants who are similar in demographics helps participants feel at ease with one another, along with promoting a positive discussion. Shukla (2008) discusses further, explaining that having a diverse group can also bring a wider viewpoint on the topic. Both of these points are positive for this research, as all students who took part, had similar demographics except their nationality, which actually helps broaden the research, allowing a wider viewpoint.

3.4.3 Focus Group design

The focus groups were conducted with the use of semi-structured questions in order to address the focus group participants. Accordingly, semi-structured questions have a relaxed format, where points and topics are presented in an open manner to promote participants to share their thoughts and ideas (Aaker et al., 2011). This aligns with this research as it is concerned with the discovery of the attitudes and intentions of consumers.

Unstructured interviews were avoided as they can end with the discussion going somewhere which is not relevant for the study, which both wastes time and results in less valid information for the research (Greener, 2008).
Structured interviews were also avoided in order to avoid a back and forth question and answer from the interviewer and participants, as this does not promote the opinions, nor what they say or think (Greener, 2008).

During the two focus groups, both the authors of this paper were in attendance, one took part in the semi-structured questioning, exercising their skills of mediation, thinking, communicating and managing, the four skills required for an effective market researcher (Lillis, 2002). The other author focused on taking notes of the comments which the participants were making. Both authors operated in a context of trust in order to fully exercise their skills and produce results that are both useful and usable (Lillis, 2002). Furthermore, as both authors were present in the focus group this allowed them to witness any body language or the manner in which a participant displayed themselves or participated in the group discussion, allowing further analysis to be undertaken (Chrzanowska, 2002).

As it can be quite difficult to note every single word or comment, both focus groups were recorded through the use two mobile phone recording applications. These devices have an adequate microphone for sound quality for the transcription after the focus group as recommended by Greener (2008). The focus group participants were made aware upon selection they would be voice recorded, along with signing a consent form (Appendix 1) in order to give the authors written permission to do so before the start of the focus group.

Transcripts of all three focus groups were written and fully transcribed by both authors. Transcripts were used in order to not miss any key information, along with more accurately evaluating the comments and opinions of the focus groups participants (Tong, Sainsbury & Craig, 2007). Moreover, the focus groups were transcribed as accurately as possible by the authors to ensure accuracy and precision (Saunders et al., 2012)
3.4.4 Experimental setting

A simple experimental setting was used as part of the focus group research process in order to delve deeper and uncover subliminal issues surrounding COO. Experiential settings in this research give an opportunity to provide a much stronger and sound evidence of cause and effect relationships (Shukla, 2008; Babin & Zikmund, 2016). A made-up brand was chosen to complete the research in order to avoid prior ambivalent or bias feelings towards the brand.

The simple experiment used was excluded from the test group and was only used in the other two focus groups (one & two). Both focus groups were exposed to and given exactly the same information throughout, except for one key difference which was exposed to participants in the second section of the focus group.

- Focus group ONE discussed COO from the perspective of the hypothetical brand HITE from GERMANY
- Focus group TWO discussed COO from the perspective of the hypothetical brand HITE from POLAND

3.4.5 Test Focus Group

Before the data was collected in the first of the two focus groups, a pre-test focus group was conducted in order to have a practice run through the questions and the format of the focus group. The focus groups commenced with one test group carried out six days prior to highlight any issues which were apparent in order to improve the focus groups. Babin and Zikmund (2016) describe pre-tests as a critical part of the research project in order to refine and fine tune any fatal flaws which were identified as a result of the pre-test. From the pre-test the following changes were implemented into the research.

- One participant commented that the picture of the product was not completely representative of the product as they could not see the back of the jacket. Therefore, the documents which were given to the next focus groups also included an image of the back of the jacket.
• Another participant commented that it was not very clear whether the authors were speaking about the jacket or brands in general during the test focus group. Therefore, for the next groups the questions were better structured in order to avoid this issue and make it very clear.

• Participants also commented that the moderators (authors) asked leading questions in order to get answers and feedback. From the comments, the moderators became more aware and conscious of how they asked questions in the other two focus groups.

The test group participants were not given a specific COO focus, unlike the other two focus groups who had either Germany or Poland. The test group focused rather on the subject of COO in general. After the test focus group was conducted, the two ‘main’ focus groups took place, as outlined in the following sub-chapter.

3.4.6 Focus Group Agenda

All focus groups began with participants being first handed out the consent form (Appendix 1), which all in attendance signed without query.

The test focus group participants were given all information in the beginning of the focus group as the purpose was not to see difference between counties but only to speak about COO in general.

However, the two other focus groups were more structured with participants first being shown a picture (front and back) of the hypothetical winter jacket (Appendix 2) without any branding in order to not have extra bias views during the first discussion. The second discussion began with participants receiving visual information about the jacket, jacket specifications and the HITE brand (Appendix 3), then followed a discussion surrounding the product. Both, the first and second discussions’ questions are available in Appendix 4.
Each focus group were given information/images on paper, with both focus groups being given exactly the same information except from the differences in COO of the brand as outlined above. The reason for this is that images can act as a stimulus to allow the participants to be more focused and have deeper views (Chrzanowska, 2002).

The focus groups were conducted on the same day and directly after one another in order to reduce the likelihood of participants meeting one another and discussing what they said in their respective groups. This is in regards to the differences in the COO of the winter jacket, with focus group one having Germany as their COO and focus group two having Poland as their COO. It was determined that if participants from separate focus groups discussed they may figure out one group has Germany as their focus and the other has another country. Therefore, holding them directly after one another controls this issue and increases the validity of the research.

In all three focus groups the participant number was either five or six, which is within the recommended number of between five and eight (Krueger & Casey, 2014) as shown below:

<table>
<thead>
<tr>
<th>Group number</th>
<th>Date</th>
<th>Time</th>
<th>Length of focus group</th>
<th>Number of participants</th>
<th>COO Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEST</td>
<td>16/04/18</td>
<td>1400</td>
<td>44 min 37 sec</td>
<td>5</td>
<td>COO</td>
</tr>
<tr>
<td>1</td>
<td>22/04/18</td>
<td>1000</td>
<td>58 min 02 sec</td>
<td>6</td>
<td>Germany</td>
</tr>
<tr>
<td>2</td>
<td>22/04/18</td>
<td>1130</td>
<td>49 min 43 sec</td>
<td>6</td>
<td>Poland</td>
</tr>
</tbody>
</table>

*Figure 3: Focus group information*
3.4.7 COO Choice

The countries identified for the research were chosen through analysing data outlined by Statista, an online global statistics portal who conduct research on business operations worldwide. Statista conducted research on how consumers perceive products with the ‘made in’ label surrounding certain geographical locations.

The research found that Germany was ranked first, reaching a ‘Made-In Country index’ rating of 100 (Statista, 2017), therefore Germany became the obvious choice for the ‘stronger’ COO, which also aligned with the information discovered in the literature review, naming Germany among the strongest COO brands in the world (Kotler & Gertner, 2002).

The ‘weaker’ COO was also selected from the list of countries which Statista (2017) analysed and Poland was chosen to be featured as the COO in focus group two. One of the reasons for this choice is that Poland came in 23 places behind Germany, with a ‘Made-In Country index’ rating of 51 (Statista, 2017), which is almost exactly half of the German index score. Another reason for the choice of the two countries is that they are neighbouring European states, sharing a border, with less than 600km between their two capital cities of Berlin and Warsaw (Google Maps, 2018).

Furthermore, both Poland and East Germany shared a similar political system and values as they were both part of the Soviet Union. The differences in the perception of both countries are significant given the fact that the eastern parts of Germany and Poland developed side by side after the fall of the Soviet Union some thirty years ago. This makes it even more interesting to use and compare two neighbouring countries that have a history of sharing similar political systems and yet appear so different within the perception of consumers.
3.4.8 High Involvement Products

High involvement products were chosen as they are considered to be purchases which consumers take time to make (Oxford, 2018a), thus deeper connections can be made using the framework outlined in the literature review in terms of consumers intrinsic and extrinsic cues. High involvement products cannot be identified within or over a certain price, as every consumer is different and has a different budget, along with value or quality perception of goods (Zaichkowsky, 1985; Santandreu & Shurden, 2017). Convenience products such as milk and bread can be identified as a low involvement purchase as it is done regularly and does not involve substantial evaluating (Akbari, 2015; Santandreu & Shurden, 2017). That being said, winter jackets were chosen, as consumers do not buy one every week, nor every month. Winter jackets normally have a life-span of around 2-4 years (International Fabricare Institute, n.d) and consumers evaluate this purchase more than that of the purchase of milk and eggs in a weekly grocery shop. Therefore, using these two variables of grocery shopping and a winter jacket, the authors define a branded winter jacket as a high involvement product.

3.5 Participant selection

In terms of sampling there are two different types of sampling; probability and non-probability sampling. Probability sampling are samples which are selected randomly and/or by chance, meaning that it is possible that ultimately anyone could end up taking part in the research (Malhotra et al., 2012). Within non-probability sampling there are various different methods such as simple random, systematic, stratified and cluster sampling (Saunders et al., 2012). Whereas, non-probability sampling is linked with the personal judgement of the researchers, as to leaving the participant selection method to chance, such as probability sampling (Malhotra et al., 2012). Non-probability sampling has various sections also, including; convenience, self-selection, quota, purposive and snowball sampling (Saunders et al., 2012).
However, for the purposes of this research, non-probability convenience sampling was used in order to select participants for the research. Convenience sampling is when the selection of participants is completely left to the researcher to obtain at their convenience (Malhotra et al., 2012). Convenience sampling was used due to limited resources, such as the short time scale allocated to conduct the research along with financial constraints associated with the research. Students at Jönköping University were chosen as the primary demographic for selection as the researchers conducting the research have easy and convenient access to them, meaning they are accessible, cost free and cooperative (Malhotra et al., 2012). The pre-test was also conducted with the use of convenience sampling, in order to save time and resources.

As a result of using convenience sampling all participants who took part in the research were identified as Generation Y (Gen Y), therefore were born within the 1980s and 1990s (Eisner, 2005). Although this may be seen as a major limitation (as discussed in the limitations section at the end of this chapter), it can also be seen to be positive for the purposes of this research. Eisner (2005) highlights the fact that Gen Y have been brought up in the digital, globalised and news 24/7 world, making Gen Y well educated and ethnically diverse over previous generations. Therefore, the Gen Y research participants will have been potentially exposed to more advertising and branding, which they have processed in their brain, including the ease of access of information, allowing more depth in answers. Gen Y are also seen to be more social and open (Alien, 2004), which gives this research the opportunity to gain more information from respondents as they easily open up and share their ideas and opinions. Furthermore, all participants were international students, therefore their cultural empathy and open mindedness is higher than their Gen Y counterparts who study domestically. (Van Oudenhoven & Van der Zee, 2002). This internationalisation also brings breadth and knowledge from different cultures and markets, providing more differential input into the research.
3.6 Ethical Considerations

Research ethics relate to how a research topic, design and approach is carried out, along with how data is accessed, collected and processed in a moral and responsible way (Saunders et al., 2012). The ethical considerations which were taken into account for this research include getting consent from participants to take part in and be recorded as part of the focus group. Participants were briefed during selection that the research would be recorded, therefore could make their own decision. The focus group voice recording was treated with strict confidence and only used by the two authors analysing the research. The views and opinions which were analysed of all focus group participants were also treated in strict confidence, with names of participants omitted from research findings. Instead focus group respondents were only referred to as: “participants” or one “participant”, safekeeping and protecting the confidentiality, anonymity and privacy of participants (Malhotra et al., 2012).

This research has an ethical dilemma, in terms of how the research is conducted, as the authors were not fully transparent with their focus group participants. The authors withheld information regarding the COO aspect of both focus groups, not stating that each focus group would have a different COO before or during the research. However, the reason for this was that if the participants knew about the other COO it becomes obvious that research focuses on the COO aspect of the products, which may lead to participant bias and may jeopardize and weaken the quality of the focus group discussion (Malhotra et al., 2012).

Saunders et al. (2012) also explain that research must be completed in a transparent and truthful fashion in order to avoid deception and ensure the maximum accuracy and validity of the study. This being said, this research was conducted to the highest of standards and practices by both authors, care and attention was also taken in order to complete the research within both public and academic etiquette.
3.7 Limitations

Although limitations of this research exist, the authors tried to limit the number of them, however limitations are something which concern all types of research and is almost unavoidable in most cases (Shukla, 2008).

This research only included students, which further impacts the research, in terms of the price they are willing to pay and/or associations with quality, price and COO. Students are notorious for having little disposable income, meaning they may not have a large budget when it comes to buying a winter jacket, therefore have possibly limited knowledge. Also, having only Gen Y further limits the different views available to the research, with perhaps different generations having different ideas and opinions about COO. As the definition of COO changed throughout the years, possibly the older generations have these different ideas and opinions.

Furthermore, focus group members may have a bias towards a certain COO if they themselves originate from the country, or have previous connections to that country. Which is more than probable as focus group members are all international students who have mostly previously studied abroad in the past.

Finally, only outdoor jackets were investigated as one type of high involvement product. Therefore, this inevitably means that the outcomes of this study are not representative, so therefore cannot be generalised and will have to be part of further research in order to confirm and quantify them.
4. Outcome and Analysis

Within this chapter, the outcomes of the focus groups will be presented and interpreted. A closer look will also be taken on the proposed research model as it will be analysed and compared to the outcomes of the study.

4.1 Outcomes and Interpretation

4.1.1 High Involvement Products & Validity connection to framework

As the theoretical framework of this research has indicated, the descriptions leading up to the proposed model are based on a hypothetical high involvement purchase. This results from the fact that a cognitive decision-making process requires more of an extensive research and a broader variety of information from the consumer’s point of view. Hence, it has to be confirmed that the product used in the focus group was perceived as a high involvement product in order to validate the findings importance in terms of the research setting.

Therefore, the first part of the focus group was constructed around the intention to determine whether the participants thought the product which was presented to them could be categorised as high involvement product.

Earlier in this study a high involvement product was defined as being more expensive and hence, a riskier purchase (Law, 2016). It was also mentioned that this category of products requires a greater amount of information before the purchase.

The participants of all focus groups generally acknowledged the jacket as a high involvement product. However, it took some discussion as some of the respondents argued it would depend on the price, which they did not know. In addition, all focus groups mentioned that for them it would depend on the purpose of the purchase (e.g. for wintersports, hiking) and the thereby included amount of information they would need. During the discussion, participants of all conducted focus groups acknowledged the fact that:
“A high involvement product purchase would include a greater amount of information and thought”

Furthermore, the factor price was mentioned many times when explaining what a high involvement product is for them. All of this goes along the definition given in the literature review and underlines that the participating group had common understanding of the topic to ultimately understand what a high involvement product is.

Conclusively, it can be said that all participants agreed that the Jacket can be seen as a high involvement product. Therefore, the findings shown within the focus groups are valid in terms of the settings of this study.

4.1.2 Information cues and their importance

At the beginning of the focus group participants were asked which information cues they perceived as being important in order to purchase the hypothetical winter jacket being proposed. The focus groups uncovered a total of 23 information cues, which were mentioned by the participants, these are listed below in the following figure:

![Figure 4: Identified information cues from focus groups](image)

<table>
<thead>
<tr>
<th>Type of cue</th>
<th>Intrinsic</th>
<th>Extrinsic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colour</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comfort</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shops available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommendations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retailer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purpose</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Texture</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterproofness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Look</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Functionality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occasion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Brand**

**Price**

**Retailer**

**Recommendations**

**Ethics**

**Reviews**

**Shops available**
Of the 23 information cues mentioned above, the majority are intrinsic (directly related to the product) over extrinsic (in-directly related to the product). From these 23, many of the intrinsic cues were very product specific (e.g. warmth, comfort, fit, fabric, functionality, etc.) and hence, change from product to product. Due to the rather broad nature of this research topic, these cues can be considered secondary in terms of the research. Looking at the extrinsic side, cues such as ethics, retailers/shops available and reviews/recommendations were mentioned. These can all be placed or perceived as being a direct result of a brand actions, hence can be clustered together generally within the ‘brand’ cue.

Moreover, when prompted by the moderator to which they stressed as the most important cues, participants identified only three of the 23 as being the most important. This is shown above in the table with these cues highlighted in bold. These most important cues being: quality (intrinsic) and price, brand (extrinsic). The research found use of both extrinsic and intrinsic, similar to that of previous research conducted by Bloemer et al. (2009) and Idoko et al. (2013), finding these also as influencing factors of a product.

Quality as an intrinsic information cue was mentioned throughout all the focus groups and is a cue which is directly inherent within the product, thus affecting consumers’ behaviours according to Idoko et al. (2013).

Therefore, the focus for this research will only lie with the three cues highlighted by participants as being the most important. The three most researched extrinsic cues, as mentioned in the literature review are brand, price and COO. Two of these (brand & price) were also highlighted in this research as being the most important. Srinivasan et al. (2004) and Zellner and Durlach (2003) highlight that the brand of a product is one of the most influential extrinsic cues. Advertising is also given as a brand related cue according to Milgrom and Roberts (1986), which links to a statement from a participant within focus group two; “sometimes advertising can trigger you as well” in relation to the information cues.
Price is also among the most important factors which Khaniwale (2015) and Boztepe (2012) highlight as being a very important information cue in the consumers’ decision-making process. This information mirrors that of the research conducted, as price was amongst the first information cues participants mentioned they would require in order to purchase the winter jacket.

Although all three are separate and have individual differences and characteristics, there are of course similarities between them. For instance, participants agreed upon the following statements:

“Quality and price can go hand in hand together”

“Price is justified by the quality”

This means they associate a high quality with a high price and vice versa. This, matches the information included in the literature review that both price and quality impact one another (Jacoby, 1972). This was also true for all three, with one participant from focus group two assuming that if they bought a branded jacket they are paying a premium for said product, therefore it “is going to be good probably”.

Furthermore, most of the participants explained that the majority of the information cues were dependent on the exact functionality of the jacket, with one participant of focus group one stating “it always depends on the purpose”. Similar comments also related to how long they needed the jacket or which season they were in.

Overall, both intrinsic and extrinsic cues were suggested and discussed as part of the focus groups with a mix of which is more important, with one focus group focusing more on the intrinsic and the other two groups focusing on the extrinsic cues (brand, price). Therefore, it can be said that participants found extrinsic cues more important than intrinsic (quality).
During this discussion participants began to question their own morals when it came to deciding whether the intrinsic or extrinsic cues were more important. Participants made comments such as:

“I want to say quality (intrinsic), because that is the rational way”
- Participant of focus group two

“Everybody would like to say that they pick the intrinsic over extrinsic but usually it’s more about identifying with a brand”
- Participant of focus group one

“If I’m being honest I would say price and brand (extrinsic), but the quality and functionally (intrinsic) should matter more”
- Participant of focus group one

Therefore, it can be said that participants unconsciously make decisions initially, but when they think about these purchase decisions when prompted they begin to think more rationally, in terms of the intrinsic product features. This somewhat rational process underpins the consumers’ cognitive decision-making process (Bloemer et al., 2009).

Another comment of a participant in focus group one stated that it can be a mix of both, meaning at the end you have “a compromise between the two of them”. Participants also agreed that when they go into a store they will first find a brand (extrinsic) they like, trust and are familiar with as they know they can rely on it from, especially from a quality (intrinsic) stand point. Participants of focus group two all agreed to the comment of one, who explained “it is more and more about identifying with a brand I trust”, which comes down to the extrinsic brand reputation cues as defined by both Bearden and Shimp (1982) and Liefeld (1993).

Conclusively, it can be said that both intrinsic and extrinsic cues are used and are important during the consumers’ decision-making process. Although extrinsic cues were identified as being the more important cues by the majority.
It can also be said that both go hand in hand and consumers rely on a blend and mixture of both in order to make cognitive and somewhat rational decisions.

Srinivasan et al. (2004), Zellner and Durlach (2003) and Idoko et al. (2013) all highlight the importance and impact of COO in relation to the extrinsic cues in the decision-making process for consumers. Moreover, Drozdenko and Jensen (2009) also mentioned the important link between the consumer’s willingness to pay and COO, thus this research uncovered no link between the two during the initial discussion. However, participants failed to mention COO at all during this part of the focus group discussion, even although it was linked to product information.

4.1.3 Importance of COO

The aforementioned absence of COO amongst the information cues the participants thought of as necessary for a purchase was unexpected. As the discussion was moved towards COO, however, it became clear that there were strong opinions regarding this topic.

When questioned about the importance of COO in a product the reactions were mixed amongst the participants in all groups. However, this can be attributed to the different ideas on ‘COO’ the participants had at first. In the beginning of the discussion, a majority within all three focus groups thought of COO in the sense of the original definition, thus the manufacturing origin. This can be underlined by comments such as the following from a participant of focus group one:

“It is hard to tell where a product is actually made in”

“(...) I assume it is going to be made in Vietnam.”

These and a number of other statements mentioned the “made in”, which clarified that at first participants thought of COO as the country a product is manufactured in.
In terms of the importance of the factor, the statements developed as the discussion continued. One participant of focus group one stated “I have to confess I don’t check that often”, as others also argued along these lines as well. This highlights the fact that they do not actually seem to care where the products they buy are made, as long as they are cheap, with one participant from focus group two stating that “Everybody is a hypocrite” when it comes to COO. Conclusively, a general agreement on the low importance of COO in a sense of the manufacturing origin was found. Comparing this finding with the theoretical framework, the consensus is undeniable, as this argumentation supports the findings of scholars that think that COO effects are not as important anymore as they once were (Liefield, 2004).

On the other hand, however, some of the participants across all focus groups also mentioned that they wanted to be more conscious about it, which shows an intrinsic struggle consumers experience when faced with this topic. They may want to be seen as being sensitive about it, but when it comes down to the purchase the COO does not seem to play an important role. The statement made within focus group one “Although I would consider COO, I do not really go into it” supports this assumption, yet confirms that it is in the back of the consumers mind.

Within this context it should also be noted that a ‘ranking of countries’ within the consumers mind, as explained in the preceding methodology part, was found. Statements such as “(...) you produce in a not so good country (...)” (focus group one) or “If it’s from an Asian country it is going to be cheaper” (focus group one) verify this clearly.

As a preliminary conclusion at this point, COO does not seem to be a priority for participants. The main reasoning behind their message was that all similar products are produced in the same place and especially in terms of clothing, as everything comes from Southeast Asia. Yet, generally everyone from all focus groups acknowledged that as a factor it is existing in the back of their minds.
However, it can be said from the research conducted, that participants showed signs of ethnocentrism as defined in the literature review. Dutch, German and Swedish participants identified they would prefer/buy a brand if it is from their own country/nationality over another which is not. One participant of focus group two stated that having a jacket from their home country adds trust, underlining the argumentation of Ling et al. (2015). A German participant also commented, as shown below, on the economic factors it can have on their own economy, again, mirroring the statement of Ling et al. (2015).

“I always value products from my own country because I think we help our economy and it’s nice and why don’t we support a German brand”
- Participant of focus group two

It should also be noted that no participants were identified as being high ethnocentric consumers, stating they only buy products from their own country, although they do prefer to.

As the discussion developed, the participants of focus group two came up with a different view on COO themselves. As they were questioned, what the COO meant to them, one participant of focus group two stated “manufactured in China, designed in California, what does this mean?” and highlighted the fact that there are different meanings to the COO. In focus group one, the first participant to comment on this point explained that “the COO of the branding”. Both statements indicate that the participants think of COO as the brand origin when thinking about it deliberately. The aforementioned assumptions can be underlined by the following discussion, as the focus moved from ‘made in’ to the ‘brand origin’. Here, everyone taking part in all focus groups could suddenly agree on the importance. Some mentioned, the brand origin is always in the back of their minds, while others clearly stated e.g. “(...) it’s more about the design COO, where the brand is from (...)” (focus group two). Another statement leading to an agreement around the participants of focus group two reads “The higher the involvement, the more important the COO of the brand”.

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Summing up, the aforementioned findings confirm two assumptions. First of all, it goes along the theoretical framework, which claimed that the perception of COO has changed over time (Usunier, 2011). Moreover, it shows the ongoing importance of the topic, as the origin of the brand seems to influence participants a lot. Secondly, it reinstates the argumentation that high involvement products require a bigger extent of information and thus, the importance of COO as a factor grows with the involvement of the consumer.

To conclude this part of the discussion, the consensus between all focus groups shows that the COO of the brand affects them more than the manufacturing COO. However, both definitions are still valid even though the intentional perception of the participants of these focus groups sees the COO in terms of the brands nationality.

Further comments, such as “everything is assembled in China”, followed by “so it is more about the design COO, where the brand is from” highlight the reasons behind the participants stand point. It shows the awareness of globalisation and the accompanied allocation of sources throughout developing countries. This makes it hard to determine between brands as most products are made in similar places and within comparable conditions. Hence, consumers “(...) only look at the end product and not at the components, because we do not really know and maybe we do not care.”.

4.1.4 COO and cues

This section focuses on COO in relation to the main information cues which were identified earlier in this research (price, brand & quality) as being the most prominent cues the participant identified from the focus groups. Each of the three cues will now be evaluated below in more detail.
COO and price

Information which was identified from the research was that the higher the price of the product, the more important COO becomes in the mind of the consumer. Participants of focus group two agreed there is a general assumption that when you pay more for a product, you end up getting a higher quality product and that “the higher the involvement, the more important the COO of the brand”. This view disagrees with the majority of scholars (Maheswaran, 1994 Verlegh, Steenkamp & Meulenberg, 2005), however agrees with Shahzad (2014) who argued that COO increases a consumer’s involvement.

Participants also explained that if they could afford to buy a German car over a TATA (Indian car brand) they would buy the German, underlining the findings of Drozdenjko and Jensen (2009), with consumers being happy to pay a premium price due to COO. The focus group method allowed comparisons to be made between two countries with exactly the same hypothetical product. Both focus groups were also given exactly the same information about the product, except one important difference, the COO of the brand: one German and one Polish.

Participants also made comparisons to where they would place the HITE brand on a scale in terms of other brands who sell a similar product to that of the hypothetical winter jacket used during the focus groups. This comparison was then converted in terms of the differences in price of the other established winter jacket brands, as shown in the figure below:

Figure 5: HITE Germany & HITE Poland market price differences
The focus group who had Poland as the COO of the brand placed HITE among lower priced products such as Quechua, Decathlon and Jack & Jones, all of which were only mentioned by the focus group. Whereas, the focus group who had Germany as the COO of the brand placed HITE at the higher end of scale next to another German jacket brand Jack Wolfskin and also between the lower end of Uniqlo and the higher end of The North Face. The results from the focus groups clearly shows the difference in the willingness to pay of participants, highlighting there is in fact a difference in the price they would pay depending on the COO of the brand.

![Figure 6: German and Polish price differences](image)

As shown above in figure 5, the results of the price which participants were willing to pay differed on an average of **104.67 Euros**, with the German brand perceived as being the more expensive. This comparison highlights that there are in fact subliminal effects of COO, underpinning the argumentation of Cristel (2002) finding that these have an impact on the purchase decision. This shows that all factors of the decision-making process are however not cognitive with participants clearly being impacted and influenced by the effects of COO subliminally. These subliminal factors resulted in negative associations being made towards a brand concerning, price, quality and brand image even although it was exactly the same product, brand and description with only the COO of the brand changing.

These subliminal and stereotyping effects ultimately have an impact on the perceived price which participants were willing to pay for the winter jacket. This helps the consumer to build up an overall idea of the brand, how they are working and of course the price which the consumer associates with the brand.
COO and Brand

Participants of all focus groups defined COO as being associated more with “the brand with a COO and not the production COO”, underlining the current perception as defined in the literature review (Usunier, 2011). COO and brand are related according to the research conducted, with participants explaining there is a connection between both, the image of a country and of a brand, with some attaching an importance to the stereotypes which surround certain countries.

Some of the stereotypes which were identified by participants are listed below, these ideas relate to the work of Verlegh and Steenkamp (1999), who argue that these comments help to have an overall COO view of a country. This is made clear from the following comments:

“ You feel safer when you buy something with a Swedish brand on it, even though it has been manufactured in China”
- Participant of focus group two

“French people dress nicely, so this translates to the brand”
- Participant of focus group one

“Swedes are always so cool and minimalistic so you think okay the brands are the same”
- Participant of focus group one

Chattalas et al. (2008) even explain that these comments can impact the consumer buying process, with evidence of this apparent in the focus group experiment between Germany and Poland. Both positive and negative comments were evident in the research, with generally only positive associations made about Germany and only generally negative associations made about Poland.
German Stereotype (focus group one)

“Germany is really straight forward, correct, on-time and you automatically kind of convey that the brand is doing the same thing”

“If you say the brand is a German brand – then okay you say Germany has good standards so it has to be a good product”

“Say okay it's Germany and as we all kind of agreed, when you hear Germany you always associate it with high or good quality”

Poland Stereotype (focus group two)

“I have no connection to any brand from Poland”

“At least it doesn’t add extra trust for me that it’s from Poland”

“I don’t know any Polish brands, thinking about it”

From the above comments it is clear that stereotypes along with both the summary construct as defined by Han (1989) and Ahmed et al. (2004) and the Halo-effect of Johansson et al. (1985) are present.

The participants abstract information about a country’s product because brands with the same COO have similar product attributes. Which allows them to generalise product information country specific information, into giving positive comments about another product. This goes hand in hand with the explanations of the summary construct-effect, claiming that all previous information about brands and products from a certain country are being processed in order to evaluate an unknown product with the same COO.
The Halo-effect, is where country image affects the evaluation which consumers have surrounding a product’s attributes. With one participant of focus group two stating that a jacket with a “Swedish design made for the Swedish climate and made in China, I still trust it”. This highlights the halo in this case being Swedish and therefore would aid the purchase if participants were unsure about a product.

The Halo-effect is present here, with Poland serving directly as the Halo-effect. Since they do not have any idea about Polish brands, they use their preconceived ideas surrounding Poland in order to connect to the brand. However, this is in fact negative for Poland in this case.

Participants were also asked where they would place both, the Polish and German HITE brand in their respective focus groups in terms of other brands. Focus group two, who had Poland as the COO placed the brand at the lower end of the scale, comparing it to Decathlon, Quechua and Jack & Jones, brands who are considered to have a low brand positioning. This is also linked with having a lower overall quality of the brand which can then be transferred onto the product. This is evident in the findings of this research, with Poland being perceived as a low quality COO and Germany being a high quality COO, participants placed the two brands accordingly (as outlined below in figure 7).

However, when focus group one, who had Germany as their COO were asked to compare their product with other brands, they chose brands with a higher brand positioning in the market. Locking in between Uniqlo and The North Face, and alongside Jack Wolfskin, another German brand. Being placed next to another brand from Germany shows evidently the application of the summary construct effect, as not being sure about the brand HITE as it is a new brand, participants assume that it’s qualities are in line or similar to that of the well-founded German brand Jack Wolfskin.
There was also evidence of the default heuristic effect, with a mix of both the Halo-effect and the summary construct evident from the research. Participants of focus group two agreed that “I trust Swedish brands, Swedes are honest”, therefore this connects previous country as well as brand knowledge and transfers it into them trusting possibly all Swedish brands if they are unfamiliar. When flipped around, it is also relevant, with participants stating that if they do not have any attributes or knowledge about a COO, they cannot transfer that onto a product. This is again evident from the example with Poland.

**COO and Quality**
Participants agreed that quality was also an important factor when it came to COO. The majority of participants without any mention of a country agreed that Germany has a COO which indicated quality and on the other side Asia indicates lower quality.

Therefore, again stereotypes and the summary construct effect are again evident from the research with comments made in terms of quality as outlined below:

“When you hear Germany you always associate it with high or good quality”
- Participant of focus group one
“You always associate Asian countries with mass production and not the highest quality”

- Participant of focus group two

Nevertheless, participants did not care where the brand was manufactured, even if it was in Asia, with one participant of the test focus group stating “I don’t really care if it’s built in China”. Another standpoint, mentioned in the same focus group went further to explain that a German brand will “communicate well and efficiently with the foreign manufacturer of their product” and therefore will have standards. Again, similar to that of the relationship between COO and brand, COO and quality is similarly related to summary construct effect. This is due to the relation to the preconceived ideas which consumers have surrounding a COO (Han, 1989; Ahmed et al., 2004).

Although it can be said that these ideas clash with each other, as one states they associate German brands with being high quality, however they know the brand uses Asian production which they then associate with low quality. These ideas are not based upon any cognitive or rational logic in terms of the consumers’ decision-making process which Bloemer et al. (2009) argues exists. Participants are aware of this and even agreed they would “subconsciously assume that the German brand has a better quality”

Participants also stated that the above information cues of price, brand and quality have an impact on their perception depending in which type of store the product is being sold. With the general perception if there are other high priced, quality and well-known COO brands in that store then they all belong together in a perceived ‘high end’ store. Which can also be said vice versa, with lower priced, lower quality and not so well-known COO brands all belong in a perceived ‘low end’ store.
4.2 Analysis of the proposed model

Throughout the study, the aim was to be able to explain the influence of COO on the consumer’s decision-making-process. On the basis of previous research, a model was established, functioning as the theoretical framework of this study.

This subchapter will now analyse how the different parts of the model connect with the findings of this study and whether this theoretical framework can be viewed as valid within the frame of this research.

Looking at the model from the left, the intrinsic and extrinsic information cues are shown. As mentioned throughout the earlier stages of this chapter, the extrinsic cues price and brand were mentioned frequently throughout the course of the focus groups and hence, can be confirmed as the most influential cues. This goes along all previous research, which explicitly mentions them as the most important information cues in a cognitive decision-making process. In contrast to the suggestions of previous studies, COO was not named as an information cue, necessary to evaluate the product.

However, COO still proved to be an important factor for participants of all focus groups. This phenomenon will be further evaluated in the latter stages of this chapter. Looking at the intrinsic cues, quality was the most frequently mentioned information by the participants of the focus group. Other product specific attributes such as e.g. fit, material, etc. were also mentioned, however not to the same extent. Moreover, these more specific product attributes were then identified as less important in comparison to quality or the extrinsic cues. Therefore, in the model, quality stands secondary for all other product specific information cues.

As a result of the focus group the model has since been adapted slightly by the authors in order to reflect representatively the results of the research. The changes are only minor, with the “etc.” box above extrinsic cues being omitted, with no evidence of any further important extrinsic cues as the ones mentioned in the focus groups are placed within ‘brand’ and ‘price’.
This was also the case with the intrinsic cues on the top side of the model, with “material” not being identified as being significant from the research, therefore was also omitted. The adapted and improved model is now shown below:

![Proposed new COO influence model](image)

*Figure 8: Proposed new COO influence model*

In general, the findings of the study went alongside the existing theory as participants seemed to perceive the extrinsic side as more important in an evaluation. However, there was general agreement to the fact that the intrinsic side would be the more rational option.

The previous section 4.1.4 focused on COO along with the most influencing cues in terms of what the participants explained. This section will now explicitly explain how the consumers’ decision-making process works and flows in terms of COO through the use of the adapted model proposed by the authors (shown above).

**Extrinsic and Intrinsic information cues**

First of all, the model begins with both the extrinsic and intrinsic cues, showing the main cues as identified by the research of brand, price (extrinsic) and quality (intrinsic). The COO is positioned directly between both cues and is involved in both aspects of extrinsic and intrinsic. COO is a continually recurring phenomenon in this model, with the arrows around it signifying that cues are interrelated and link with one another.
Therefore, the main cues of price, brand and quality are all affected by COO the most, along with the other minor cues which are individually important for each consumer. For instance, one participant claimed they cared a lot about the ethical aspects of a product and base their decision around this, shelving the three main cues. These three main cues are among the first cues to be taken into consideration by the consumer on the decision-making process, with thought and processing taking place by the consumer.

**COO**

As identified from the research, all three areas of price, brand and quality are impacted by COO either direct or indirect and rather subliminal. This means they are taken into consideration by consumers in their product evaluation. Especially the strong subliminal effects were identified through the focus group experiment are outlined in more detail below:

- **COO and brand** – Participants placed German HITE brand next to a higher perceived outdoor sport brands with the Polish HITE brand being placed among lower perceived outdoor sports brands.

- **COO and price** – The average price of the German HITE brand was over 100 Euros higher compared to the Polish HITE brand.

- **COO and quality** – The perceived level of quality was stronger with the German HITE brand over the Polish HITE brand

These subliminal effects, as outlined above are then related to the stereotypes which consumers use to build up the picture of the country’s overall brand image, which transfers into the purchase. COO and stereotyping are also applicable to the three main information cues, with participants using their preconceived ideas though the following effects:

- **Stereotypes** - Participants provided many stereotypes, which they explained help them evaluate the purchase of a product.
• **Summary construct** - Participants compared another high quality Germany brand with the HITE brand, however the Polish group compared it with a lower end European brand as they did not know any Polish brands.

• **Halo-effect** - Participants used both Germany and Poland as the ‘Halo’ in order to use their ideas of the country into an unfamiliar brand.

• **Default heuristic effect** – The mixing of both the summary construct and halo-effect was also present from the research, as factors interrelate with one another as well as participants connecting previous country and brand knowledge.

To conclude COO effects all of the three most important information cues through the use of stereotyping, the summary construct and halo-effect and the default heuristic effect. It can also be said that the consumer is using these both directly and indirectly, with elements being subliminal as proved by the focus group experiment.

**Information**
Consumers take the cues which they think are the most relevant into consideration, as these become their *information* section. However, according to the research conducted on price, brand and quality will be regarded as the most important cues.

**Product Evaluation**
The information then allows a consumer to make an evaluation on the product, which then ends out to be positive or negative.

**Purchase**
After all these steps are made within the consumers’ cognitive or non-cognitive decision-making process and ultimately end up with the final purchase decision due to all the previous steps.
The conclusion on this part of the discussion helps to answer the first research question, which reads:

**RQ1**: (a) Which information cues are affected by COO?  
(b) How do the COO effects influence the information cues in a cognitive decision-making process?

Regarding the (a) part of the question, COO seems to have an effect on the perception of all mentioned cues such as price, brand and quality but has not been mentioned as an information cue or attribute itself. It can be concluded that all intrinsic and extrinsic information cues are affected by COO.

In terms of the (b) part of the question, COO can be seen as affecting all mentioned cues in both, a direct and indirect way. This adds up with the assumptions made throughout the theoretical framework chapter. These findings allow to eventually conclude that COO cannot be seen as just another extrinsic information cue. Direct influences were observed when participants were clearly processing COO information rationally. On the other hand, the subliminal influence was obvious when the participants e.g. connected the product with cheap prices and low quality shortly after releasing the COO information to them.

Generally, it can be said that COO is an information cue, which operates on a different level and affects one in many ways - without always clearly realising it. This again, is supported by the difficulties the participants had in their attempts to answer some of the COO related questions. It was clearly visible that they had to think about their answers and started sentences over and over again. It almost seemed they had confused themselves as they started questioning their own decision-making process, highlighting they had not made up their mind before.

Further evidence supporting these strong subliminal effects was collected throughout the last part of the focus groups. Participants of both - the German and Polish group - were given the task to write down a price they were willing to pay for the particular product.
As mentioned above, the differences here were immense. The average difference between both groups came in at just above 100 Euros. It is even more interesting given the statements both focus groups had made prior to the question about the price. Focus group one participants (German brand) thought that they “(...) don’t know if [they] would then consider this brand over some other brand.” and thought of it as a cheap product. The same applies to focus group two (Polish brand), as they said they would expect “the price will be pretty low”.

However, the reasoning behind their statements were different. The participants given the German brand argued that they should promote their origin more and focus on this aspect to improve their standing, whilst the other group argued that the Polish origin is the reason behind their opinion towards the brand. Hence, in regard to research question one (RQ1), it can be concluded that even though the participants simulate a cognitive decision-making process on a high involvement product, COO is not viewed as simply another product attribute by them. Throughout the course of all three focus groups it became very clear that participants used the COO to evaluate other information cue’s and thereby affect their own perception of e.g. the brand, price or quality of the product.

Furthermore, this underlines the assumptions around the default heuristic-effect. This effect claims that all information cues are intertwined and influence each other. The findings mentioned in the previous stages of this chapter are proof of the very dynamic connections between COO, price, brand and quality.

Conclusively, it can be said that the model takes into consideration both, intrinsic and extrinsic cues, which are likewise effected by COO and appear to be interrelated. It also reflects the special level of where COO operates, not individually placed as an extrinsic information cue, but in between all the other cues. These cues then make up the overall product information, leading to the product evaluation and eventually ending up with the final purchase decision. The model confirms the assumptions and conclusions drawn from the literature review and can be seen as valid within the settings of the study which has been conducted.
5. Managerial Implications

Throughout this chapter, the aforementioned findings will be transpired into more concrete managerial implications. The findings inevitably lead to the question how they can be implemented by companies and their brands and thereby to the second research question:

RQ 2: How could companies/brands attempt to use these effects in their favour?

There are a number of implications that can be derived from the findings in this study. Based on different studies, this allows companies to evaluate their COO based on how it is perceived in the consumers mind and whether the country image is rather positive or negative. Moreover, they can work out the most common prejudices against it. In combination with the results of this study, this information can be extremely valuable as it can be used to influence the consumer in various ways.

As this study suggests, the brand’s COO plays a massive role in the consumers’ decision-making process, especially in terms of their perception of the brand, the products' quality and their willingness to pay. Given a brand has a COO with great reputation and image, it can be recommended to use this in favour of the brand. First of all, it should be made sure the products show a tag indicating the origin, so consumers can easily find out where the brand is from even if they did not have any contact with the brand before.

Marketing campaigns could take on this information and connect it to the brands values. This would then help to strengthen the consumer's perception of the brand's values and raise awareness towards their origin. On the other hand, companies might have to deal with the consequences of a rather negative country image. In this case, it would be favourable not to connect the brand to the country but rather focus on their own core values and what the brand itself stands for. Furthermore, the most damaging prejudices against the country could be worked out and argued against within a marketing campaign.
In this regard, it makes also sense to speak about the potential mismatch in the perception of origin and the actual country a brand is located in. As Roth and Romero (1992) argue consumers might not be able to tell the actual country a brand is from at all times. Thus, there is favourable and unfavourable mismatches. This was not considered within the setting of this study, as all participants of the focus groups were given the information of both, brand and manufacturing origin which erased the possibility of perceptual mismatches.

However, in this case it is important to mention and it means, that before making any decisions, managers should be aware of whether there is a mismatch in the perceptions of the brands’ origin or not. In case there is a favourable mismatch, which benefits the brand rather than negatively influences it, the company should not try to focus on their actual brand origin. On the other hand, with an unfavourable mismatch, the brand should try to make sure consumer’s start recognising the actual COO.

Furthermore, COO management can help companies when preparing to enter foreign markets. The focus group results conclusively stated that participants did not care where products were manufactured, as long as it was from a brand they trusted, for example Sweden, as “If it’s a Swedish brand I trust it, they can make their clothes wherever they want”. This type of associations which participants had link with a real case with the Chinese car manufacturer Geely and the Swedish manufacturer Volvo. Geely were looking to expand to Europe, and instead of bringing their own branded cars to the EU market they bought the well-established EU and Swedish brand Volvo (Balcat et al., 2012). By buying Volvo they benefited from Volvo’s pre-existing strong COO reputation within safety associations (Nandan, 2005). Geely also acquired the COO which goes along with Volvo being a well-established Swedish brand within the EU market. Therefore, recommendations can be made to managers to instead of going into another market with their current brand, managers should acquire a well-established brand’s COO within the geographical area they wish to target. This recommendation is however dependent on which demographic area is being targeted and also where the current brand is from.
Conclusively, it can be said the findings of this study can be of use from a managerial point of view. It is important to know about the potential prejudices consumers might have against the COO of the brand. To know whether these prejudices are good or bad can help to improve the overall market communication.

Moreover, a company should be aware whether there are potential mismatches in between their actual COO and the perceived COO by consumers. It helps to determine potential mismatches, as consumers might not be able to tell where the brand is from in 100 percent of the cases. These mismatches can be favourable or unfavourable and thus, determining them can conclude in adjustments to the marketing strategy in order to make sure consumers have the desired perception of the brands COO.

Finally, this knowledge can also be beneficial when looking into new markets and business opportunities. Brands with a COO perceived as rather negative, could be better advised to acquire a local brand and work under its umbrella rather than entering the new market with the original brand.
6. Conclusion & Further Research

6.1 Summary and Conclusion
Throughout the first chapters of this study, it was expounded that COO is an area of vast research opportunities and that it had already seen many studies conducted. However, it was also shown that the perception of COO has changed over time. Usunier (2011) was amongst the first to recognise this shift in perception. In terms of COO in the sense of the manufacturing origin of a product he agrees with research stating that it has experienced a decrease in importance. However, since the perception has shifted towards the brand origin, he along with other scholars claims that this area still is of high importance.

The review of previous literature within the area of COO has uncovered a number of potential research areas as well as a steady interest in the field. One of these potential areas within this field was apprehended by this study: the COO effects in combination with the consumers’ decision-making process as well as the modern view on COO. As explained in the very beginning, this study aims to understand how COO affects the consumers’ decision-making process and thus, how companies can use this information in order to strengthen their brand.

Previous literature was used to describe the theoretical framework of this study and help establish a common understanding of the topic. This led to the foundation of a model that argued for COO to be seen as an independent influence on both, intrinsic and extrinsic information cues. These assumptions were then tested with the help of three focus groups. Furthermore, the findings of the test focus group were used to underline certain points made throughout the analysis. The mentioned analysis and interpretation of the focus group recordings have concluded in the following main findings:
• First of all, the focus groups opinion on COO shifted from rather unimportant to very important as the perception changed from the manufacturing origin of a product to the brand origin. This highlights the change in perception within this field. As the importance of the “made in” label decreases, the brand COO continues to gain importance.

• The statements made within the conducted focus groups lead to the conclusion that a ranking of countries is existent in the consumers’ minds. Meaning that products or brand from certain countries are perceived to have a higher or lower quality.

• All information cues, covered by this research (price, brand & quality) are affected by COO, which answers RQ 1 (a).

• Initially participants did not perceive COO as an important information cue, until it was mentioned and then became important to them.

• COO cannot be seen as just another extrinsic information cue itself. This study suggests that COO affects the consumers in a direct as well as indirect (or subliminal) way and operates on a different level, relating back to RQ 2 (b). This can also be seen as an argument in favour of the explanations surrounding the default heuristic model. Generally, it argues for a very strong interconnection between the different information cues and the ability of those to influence one another.

• Participants believed that the intrinsic cues were more important and rational decision. However, extrinsic cues were identified as being the more important cues by the majority.

This study had aimed for a better understanding of the COO – affected information cues. The outcomes of the research show that COO has an effect on all cues that were part of this particular study (brand, price, quality).
Moreover, in terms of how COO works within the consumers’ cognitive decision-making process, it was found that the COO cue operates on a different level and influences the other information cues both directly and indirectly.

Conclusively, these findings express the ongoing importance of COO as an area of research. This study brings a new perspective on how COO operates within the context of a cognitive decision-making process. It was made clear that COO still has a massive influence on the consumer’s product evaluation and their decision-making process. However, not in the sense of the manufacturing origin as in the original ‘made in’ perception but in terms of the origin of the brand. This shift in perception has also disclosed new possibilities of research within the field of COO.

6.2 Further Research

The limitations listed in the methodology section pave the way and give an idea of further studies which have the possibility to be conducted, just based on the neglected areas of this research.

A logical first step would be to apply this research onto other generations, as their perceptions of COO and the effect it has on them might differ. Especially in terms of COO’s influence on the willingness to pay and the overall understanding of the term, differences can be assumed. On top of that, COO as in the definition of brand origin in connection with low involvement products could be investigated. Here, many studies had focussed on the old perception of COO and in the meantime, the results could have shifted just as much as the perception of the term.

As only a high involvement product was used as part of this research, it would also be interesting to evaluate the decision-making process of a low involvement product, albeit not being cognitive. However, this would give the opportunity to have a direct comparison between the two studies.
Naturally, there is need for quantitative research, as testing them with a quantitative study on a representative sample of the population would add great value and credibility to it. Further research could also probe more into the subliminal effects into the specific perceptions of COO as only the countries of Germany and Poland were focused on. Further research is needed not only to confirm these assumptions on Germany and Poland but also delve into the subliminal effects of other countries COO.

Based on the limited amount of research on the COO effects as described in the literature review in combination with their appearance within the focus groups, it is inevitable to conduct further research within this field. Especially the effects such as the: halo-, summary construct- and default heuristic-effects have helped to explain the findings and observations of the focus groups. Hence, these effects should be investigated further within the field of COO.

Another area of interest for further research which could be conducted is that of ‘place/city COO’, for example the Apple iPhone is: ‘Designed in California’ however made in China. Research could uncover consumers’ ideas and thoughts surrounding this power and potential of using the city origin, such as ‘New York’ over the country origin ‘The United States of America’.

In regards to the second research question of this paper, it would be interesting to find out whether companies find COO important and what managers think COO means. Perhaps the general state of mind indicates that they have not moved on from the “made in” perspective and do underestimate the ongoing importance of this topic.

Overall, the shift in the perception of COO has brought a variety of opportunities for further research in this field. This study has also shown that the importance of COO is still very existent and that science needs to continue the quest to completely understand its effects and the mechanisms it triggers within a consumers mind.
7. References


Appendices

Appendix 1 - Focus Group Form of Consent

The focus group will consist of two main parts.

The first part will feature a general discussion on product evaluation and the decision-making-process. The second part goes more into depth and a given scenario will be discussed.

Date: 22nd of March 2018

First Name of Participant: ____________________

<table>
<thead>
<tr>
<th></th>
<th>Please initial box</th>
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<tbody>
<tr>
<td>I agree to participate in the above focus group</td>
<td></td>
</tr>
<tr>
<td>I understand my participation is voluntary and I am free to withdrew at any time without giving reason</td>
<td></td>
</tr>
<tr>
<td>I agree to the focus group being audio-recorded</td>
<td></td>
</tr>
<tr>
<td>I agree to the use of anonymised quotes made by me in publications</td>
<td></td>
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</tbody>
</table>

Participant’s signature:

Date:

Facilitator’s signature:

Date:
Appendix 2 – Hypothetical winter jacket without branding
Appendix 3 – Information and branding of the hypothetical winter jacket

Brand Information
Name: HITE
Brand from: Germany
Founded: January 2017
Launching: Winter 2018

Product Information
Name: HITE Down 1.0
Features: Super light weight, extremly warm, windproof, thick hood & zippable pockets
Colours: Black, Blue, Navy, Orange, Grey and Red
Sizes: Men & Women (S, M, L, XL)
Weight: 355g (Size L)
Manufactured: Vietnam
Appendix 4 - Focus Group Outline

The focus group is split into two sections, the first discusses the following

1. Thanks for coming & attending!
2. Recording OK?
3. Start with introducing each other
4. Everything you say here is ‘safe’ there are no right or wrong answers
5. So today we will be talking about product evaluation and the decision-making process, then into more depth into a specific scenario
6. Hand out form of consent, ask them so fill it out
7. Any further questions? - Otherwise we will start

Picture of Jacket will be shown!
   \[ \Rightarrow \text{Give them a little while to take a look} \]

- Would you think this is a high involvement product? Why?
- What sort of information would you need in order to purchase such a product?
  \[ \Rightarrow \text{Write things down on the whiteboard} \]
- Which one of these factors would you perceive as the most important (ones)?
- \text{Which side do you see more important in terms of the product?}
  \[ \Rightarrow \text{Quality, Design, Functionality (intrinsic)} \]
  \[ \Rightarrow \text{Brand perceptions, brand positioning, price, marketing (extrinsic)} \]

More in general: Speaking ONLY about brands:

- What makes brands unique?
- How important is COO in a product? why?
- What does COO mean to you?
- Does COO have an effect on your opinion of the factors on the board?
The second part will be more in detail and based on an experimental setting:

**Picture of Jacket including Brand Logo and Description will be shown**

- *Give them a little while to take a look*

- What are your general perceptions about this jacket now?
- What are your perceptions about the brand? (image, trust, etc.)
  - *with the information given, what would you think of this brand in terms of trust, image, quality, etc?*
- What general price would you pay for this HITE jacket?
- What marketing campaign would you expect to see with this brand?
- Where would you position this brand among their competitors?