Daftar Isi

The Influence of 'Product-and-Non-Product Dimension' and Country of Origin Dimension on Brand Image

Bilson Simamora
IBII Jakarta

Hasrini Sari
Department of Industrial Engineering
Institut Teknologi Bandung

Jony Heryanto
Universitas Satyawacana Salatiga

Abstract

There is no doubt about the contribution of country-of-origin (COO) dimension for product value or brand value and to influence consumer behavior. However, if we are confronted with the question about which is the most powerful one among brand and COO, we still have no answer until now. There are also differences among researchers about the linkage of individual brand and COO. Some experts put COO as a dimension of brand equity. Other experts put COO into super position or 'halo effect' that influences all of the brand attributes that shape brand image. In this article, the authors develop conceptual framework to find the relative influence of COO and 'product-and-non-product' dimension on brand image. We generate eleven hypotheses and propose new construct called 'nation disconfirmation.' Together with conclusion, we propose the managerial and academic implications of our conceptual framework.

Keywords: brand image, brand equity

Introduction

Up to year 2002, Papadopoulos and Heslop (2000) recorded the existence of about 700 COO-connected researches in consumer products. Although variations found among those research, in general it can be concluded that COO holds a very importance influence toward product or service brand image (Paswan, 2004). The question than, how is the relative position of individual brand image and COO for total brand image.

There is a general consensus that COO associates with brand image (Liefeld, 2004; Hsieh *et al*., 2004; Gurhan-Canli and Maheswaran, 2000), however the direction and the nature of the association is still blurry (Paswan, 2004). This article comes to explore that association. The objective of this article is to make clear the variation in COO and brand image connection and mediation variables involved in that connection. To achieve this objective, the authors divide this article into four sections. First, we exhibit some literatures about brand image as the core content of this article. In this section, we explain what brand image is and in what ways COO influences brand image. Second, we refer to the theories and research findings about the contribution of COO. Third, section contains the main thought of this research. In this section we treat COO as variable that influence total brand image. Our contribution reflected in the arrangement of COO and product attributes as independent variables of total brand image. Finally, we propose the implication of our finding in managerial application and for further research. We also disclose the limitation of this article.Lack of coordination among local governments in upper and down streams area also makes the Citarum becomes worse and worse.

Theoretical Framework

Brand Image

Brand could be viewed from two perspectives, i.e. from company and consumer perspectives. A company will try to build a distinct image for every product which is produced. This expected image is called brand identity. Brand identity be communicated to consumers through many ways, such as advertising and branding strategy. Marketing mix also play an important roles in the process of building brand identity.

According to Harris and de Chernatony (in Nandan, 2005), brand identity consists of the following components: Brand vision in together with brand culture provide direction and guidance in building brand identity; Brand culture; Positioning; represent the uniqueness aspect of a brand; Personality which represents the emotional component of a brand. It influence brand vision, brand culture and brand positioning; Relationships which represent relationship between employees, consumers and other stakeholders; Presentations which are used to present the brand identity with considering consumers' needs and aspirations.

Unfortunately, brand identity (expected image from the company's point of view) is not always the same with the image of a brand in consumer's perspectives. It happens because the message from the company through advertising and word of mouth will be processed by consumers subjectively. This involves encoding processes of functional and emotional values in consumers' mind (Martinez and Chernatony, 2004). The perception and the set of belief that a consumer has about a brand, is called brand image (Nandan, 2005, Jevons et. all, 2001).

Brand image and brand identity are different but interrelated concepts. Both are core concepts in determining the strength of a brand. If brand identity and brand image are congruence, consumer loyalty will be high. This linkage will be strengthened if a consistent brand concept has been used for an extended period (Nandan, 2005).

To achieve a congruent brand image and brand identity, branding strategy plays an important role. A successful brand development requires branding practitioners to compare and contrast the images the branding entity desires to project with the images actually held in the minds of the target audience (Hanlan, 2005). A consistent communication from the company will also create and maintain a strong brand image (Jevons *et al*., 2001). The differences between brand identity and brand image can be seen in Table 1 below.

Table 1. Differences Between Brand Identity and Brand Image

Brand Identity	**Brand Image**
Source/company focused	Receiver/target audience focused
Created by managerial activities	Created by perceptions of the consumer
Encoded by 'brand originator'	Decoded by 'brand receiver'
Identity is sent	Image is received/perceived

Source: Nandan (2005)

From the consumers' point of view, a brand will be used to differentiate a product to another. A brand explains the reason why a consumer chooses brand A instead of brand B. This signifies the importance of brand image because it will influence consumer's choice. A study conducted by Imperial Tobacco Limited (ITL), which is Canada's largest tobacco manufacturer found that cigarettes are a product category that is largely image-based. At a younger age, taste requirements and satisfaction in a cigarette are thought to play a secondary role to the social requirements. A further research revealed that this image derived mainly from word of mouth (Dewhirst (2005).

A strong argument is established in tourism, service marketing and consumer behavior literature that word of mouth (WOM) is extremely influential in brand image creation. As argued by Stokes and Lomax (in Hanlan, 2005) WOM should not be regarded as an influence beyond the control of marketing entities; rather, organizations need to understand how WOM operates in the context of their businesses and develop marketing strategies to manage this information source.

Besides WOM, Jevons *et al* (2001) found that sometimes the context will influence consumer more, especially at the point of purchase. He noted that brand image often in the control of a retailer domain rather than the manufacturer or owners of the brand. Hogan (2005) proposed that a company should pay attention to every touch points from earliest impressions to after-sales service. This applies in many industries ranging from airlines to banking.

Other factors that can influence brand image are the numerous decisions that the company takes about its brand will influence brand image (Martinez and Chernatony, 2004). The dynamic of brand image and its multidimensional aspects makes the researcher find that it is difficult to be measured. Until now there is no consensus on how to empirically measure it.

Express Brand Image as Brand Association

Brand image is mental picture through which consumers reflect their knowledge about brand. That mental picture is stated consciously and unconsciously knowledge. It expressed through definable product attributes and metaphors that represent product (Zaltman, 2003). This though is congruent with

theory that stated that brand image is a set of interrelated association owned by customers about brand (Aaker, 1991; Keller, 1993).

Furthermore, Keller (1993) argued that brand image can be measured through the association that links a brand with consumer's memory. He is quite sure to state that the power of brand relies in consumers' mind (Keller, 2003). From this definition, Keller outlined several aspects: aspects which are related to the product attributes, benefits and attitudes, favorability of brand associations, strength of brand associations, and uniqueness of brand association.

The term product brand image is referred to measuring the brand image related to product aspects (Martinez and Chernatony, 2004). Attributes are one measurement dimension of product that could be both specific and abstract. Attributes such as size, color and weight are specific, whereas 'brand personality' attributes such as 'youthful', 'durable' and 'rugged' are abstract in nature. Attributes could also be categorized as product-related and non-product related. While product-related attributes would be unique to the type of product and service, non-product-related attributes would include packaging and user imagery as well as usage imagery. Benefits refer to the consumer perception of the needs that are being satisfied.

Beside product and non-product-related dimensions, the third dimension of brand image is attitudes. According to Schiffrnan and Kanuk, an attitude is a learned predisposition to behave in a consistently favorable or unfavorable way with respect to a given object' (p. 200). Brand attitudes are consumers' overall evaluations of a brand. Researchers have constructed several models of brand attitudes (Nandan, 2005). According to the tri-component attitude model, attitudes consist of three components: cognitive, affective and conative. The cognitive component refers to the consumer's knowledge or belief about the brand; the affective component relates to the emotions and feelings; whereas the conative component describes the likelihood or tendency of the consumer to take specific action (e.g. buy) with respect to a brand.

COO as One Source of Brand Association

Aaker (1991) put COO as one important sources of brand equity. As presented in Figure 1, together with other sources, country and geographical area participate to construct brand image through brand association. Unfortunately Aaker (1991), neither explain further whether the country/geographical is same with COO or any effort that try to linkage a brand with particular country with brand strategy, nor how strong is the influence of country/geographical area in comparison with other sources.
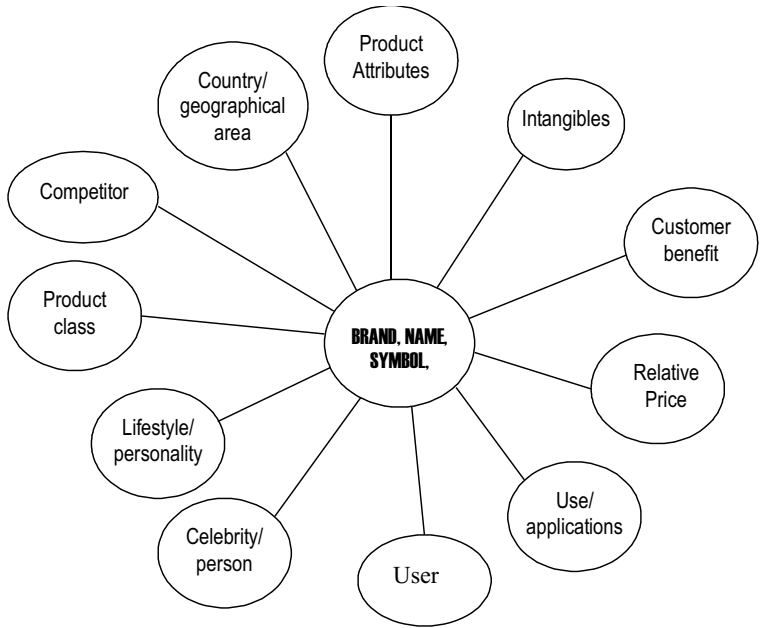
Source: Aaker (1991)

Figure 1. The Sources of Brand Associations

Fortunately, every marketing practice that associate brand with certain country, although the brand is not actually originated or manufactured in that country, can be discussed in country of origin domain. In an experiment of foreign branding, Leclerc et al. (1994) found that strategy of pronouncing or spelling a brand name in a foreign language triggers cultural stereotypes and influences product perception and attitudes.

As presented in Figure 4, perceived brand origin is connected with various dimensions. Beside location of manufactured or place of birth that widely known, location of ownership, origin of top management, marketing communications, and other (travel, press report) can be antecedents of perceived brand origin.

Understanding and Role of COO in Marketing

One aspect that influences customers perception on product quality and product choice is the country origin of that product (Hui and Zhou, 2001; Piron, 2000; Kaynak et al., 2000). A good perception about specific products within one country will give a good attribution to a product made in that country. When a branded product is manufactured in a country with a less reputable image than that of the brand origin, we suspect that country-of-manufacture information may exert different extents of impact on global product attitude, depending on the level of brand equity. Ample evidence has indicated that high equity brands are strongly associated with a set of brand beliefs, one of which may be brand origin (Hui and Zhou, 2003). Issue about COO will become very important within a global economy context. A positive image of a country will become a competitive advantage for its products. For instance, we compare two

countries, Japan and Korea. All electronic products made in Japan will have a more positive image than products made in Korea. Roth and Romeo (1992 in Zhang, 1997) defined COO image as "the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses".

Javalgi et al. (2001) concluded that when brand names are not well known, COO may be more important than brand image itself. Furthermore, in relation with pricing strategy, COO is second only to price. Bruning (1997) found COO second only to price in a study of consumer airline preference. Consumers were found to prefer their own country's air carrier, but would switch to another nation's carrier if they received a price or service advantage. Consumers were quite sensitive to price differences between medium and low levels, less sensitive to price changes between high and medium levels.
Clark (1990) suggests that enduring behavior as patterns and consumer personality characteristics are extremely important to consumer and strategic decision making in the global marketplace. In particular, consumer behavior and international marketing literature have extensively documented the impact that a consumer's knowledge about a product's COO has on subsequent product evaluation (Papadapuolos and Heslop, 1993).

COO becomes an interesting phenomena due to the price differences for the same products with different COO. For instance, mobile phone Nokia 9500 made in Finland will cost 6.500.000,00. On the other hand, the same product but made in Korea will cost Rp. 6.100.000,00. This is an interesting phenomena because the same imported product with similar standar quality but they have significant price differences (more than 5%). Another example could be seen for Nike (sport's shoes). In this case, there is no differences between Nike made in Korea and made in Indonesia. The question than, why there is price difference between Nokia mobile phone made in Finland and Korea, but no price difference between Nike made in Korea and Indonesia. This kind of phenomenon has attractted the writer to conduct a research regarding the effects of COO.

Kaynak, Kucukemiroglu, and Heyder (2000) have conducted research about COO in Bangladesh. They showed that consumer in Bangladesh prefer the products from western countries compared to local products. They perceived that western products have better quality, reliability, and up-to-date. Their study compared nine countries and showed that for electronic products, Japan has high perception. USA for foods. British, USA and Germany for clothes. And British, Germany and USA for household products.

Furthermore, there will be effect minimization from customers, if we ask them directly about the effects of COO to buying decision (D'Astous and Ahmed, 1999). Some reasons underlying behind these inconsistencies. First, there is a difficulty for customers to assess the level of importance for specific attributes directly. That's why marketers often use *inferred model*, compared to self reported model. Second, Customers want to perform as rational individual and rely their base on intrinsic attributes of the products. Third, Customers do not look for the information about COO, but actually they do not realize that they use the information as judgment when they buy the products. Fourth, the levels of customers' involvement are one of moderating factors for COO. The higher they involve, the bigger the chance of COO to be used as the bases for buying. Finally, the brand itself acted as the source of information about its COO. For instance, Sony and Samsung, show the information about COO automatically.

D'Astous and Ahmed (1999) conducted a study to explore these inconsistencies. They did a cross check between marketers and customers. However, the results showed that marketers think that the customers ignore the effect of COO. On the other hand, the customers think differently. The researchers proposed hypotheses that the brand has shown the COO itself. From this point of view, it can be concluded that we need more research regarding the effects of COO to consumer behavior.

Paswan and Sharma (2004) argued that image of COO will influence customers perception if they aware to that COO. They examined in India using KFC, Mc Donald, Coke and Pepsi. The results showed that the accuracy knowledge of COO from products positively influence image of COO. It will push the brands to dominate the cognitive domain of customers. Meanwhile, the inaccuracy knowledge of COO will influence the image of COO negatively.

Furthermore, there are some moderating factors of COO. Zhang (1997) argued that the characteristics of customers, such as education, gender, job, and political attitude will influence the effects of COO. He conducted a study in USA, Mexico, Japan, and Taiwan strengthen the hypotheses. It showed that some groups of customers are more sensitive to the information of COO, and some others are not. Paswan and Sharman (2004) also found that demographic variables and the experience of going abroad from customers in India have influenced the relationship between brand and COO positively.

Effect of COO on Consumer Behavior

Talking about brand image, there is a general consensus that country of origin is connected with brand image (Al-Sulaiti and Baker, 1998, Li *et al*, 2000 as quoted by Paswan and Sharma, 2004, and Zhang, 1997). However, there is still limited number of research about this topic. Some researchers treat country as brand (Anholt, 2000).

As stated before, in various literatures about brand equity and brand image, COO is described as one of the aspect or source of brand equity (Aaker, 1991; Keller, 1993; Keller, 2003). However, whether COO is a part of brand image or as an umbrella dimension that influences customer perception about all of the product dimensions, has not been answered completely by researchers.

In this section we propose several conceptual framework about the influence of COO toward consumer behavior. Before we go further, we need to clarify first the different between country of origin of brand (COOB) and country of origin of product (COOP) or country of origin of manufacture (COM). Some literatures have not explored this differences yet. However, if there's no indication about that different, COO is usually means as "Made In" or COOP or COM. For example, almost all the literature about free trade area indirectly translate COO as COM. However, we also exhibit one conceptual framework that try to differentiate effect of COOB and COM.

Conceptual framework presented below is arranged based on the complexity of each model. We hope to present the more simple one first and ending this section with more sophisticated one. Judgment of the complexity of model is based on the number of variables included and relationship structure among variables

The Influence of COO on Brand Equity

Although we are interested to explore the influence of COO on brand image, but discussion about it influence on brand equity is relevant for the following reason. As stated before, Keller (2003) said that the power of brand (this concept is perceived the same   with brand equity) lies in customer mind. Zaltman (2004) said what relies in customer mind are conscious and unconscious knowledge, attitude, and emotion. As stated before, consumer use mental picture (i.e. image) to describe their knowledge, attitude, and emotion. Therefore, what relies in consumer mind is brand image or brand equity. Automatically, brand image is congruent with brand equity.

Lin and Kao (2004) propose the simple model that linkage relationship between effect of COO and brand equity, as presented in Figure 2. It's easy to observe that COO effect is positively associate with brand equity. However COO variable is not visible in Figure 2. This framework is purposed to show that variables that connected directly with brand equity is COO effect..

COO Effect → Brand Equity
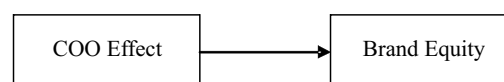
Source: Lin and Kao (2004)

Figure 2. Basic COO Effect on Brand Equity

COO effect, as presented in Figure 3 consists of consumer perception and purchase action. Both variables are the effected by COO. The relationship between COO and its effect is moderated by information accessibility, product familiarity, affective prejudice, product importance, and product complexity. Unfortunately, the authors didn't clarify the nature of moderation of each moderating variables on the relationship of COO and consumer perception. For example, in one hypothesis they said that information accessibility moderate the relationship of COO and brand equity. But there's no argument on whether this moderating variable strengthen or weaken that relationship. The same is also occurred with other moderating variables.

Country of Origin → Consumer Perception → Purchase Action → Brand Equity

Moderators
- Information Accessibility
- Product familiarity
- Affective prejudice
- Product Importance
- Product complexity
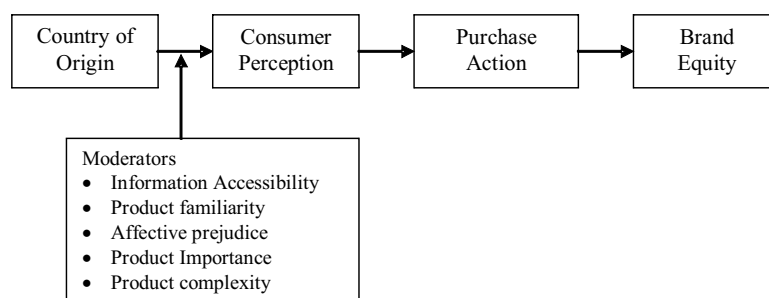
Source: Lin and Kao (2004)

Figure 3. Conceptual Framework of the Impact of COO on brand Equity

Antecedents and Consequences of Brand Origin

Antecedent means factors that take consumer attention on brand origin. In other word, antecedent factors are any event, characteristic, and other information that make consumers should pay attention on country of origin. Figure 4 shows that perceived brand origin has positive consequences on overall quality perception, perceived dimensions of quality, brand-related attitudes, price expectation, perceived value, and purchase intention. Unfortunately, this conceptual framework has not clarified possible communalities among consequences.

Antecedents
- Location of Ownership
- Location of Manufacture
- Location of Assembly
- Origin of Top Management
- Other (travel, press report)
- Marketing Communication

→ Perceived Brand Origin →

Consequences
- Overall Quality Perceptions
- Perceived Dimensions of Quality
- Brand-Related Attitudes
- Price Expectation
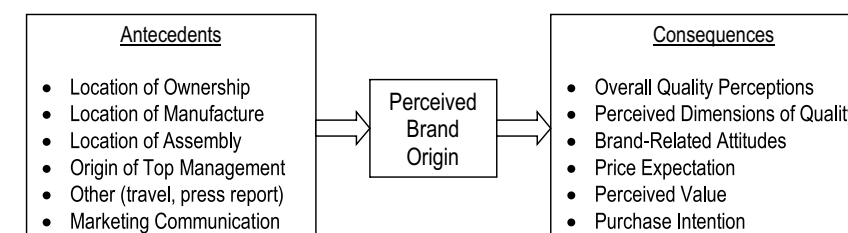- Perceived Value
- Purchase Intention

Figure 4. A Model of the Antecedents and Consequences of Brand Origin

The Influence of COO for Low Involvement Products

Zaichkowsky (1985) said that involvement is a person's perceived relevance of the object on inherent needs, values, and interest. In other words, involvement is the importance of an object for a subject. Another researcher, Goldsmith (1996) stated that involvement is the feeling or emotion characterized by interest, enthusiasm, and excitement that consumers feel for some product categories. For Ahmed *et al*. (2004), involvement is the degree that indicates how importance the decision making process in product purchase. The one to which consumers give low purchase effort can be classified as low involvement product. From those definitions, can be stated in simple way that the degree of involvement indicates the importance of brand or product for a customer. The higher the product importance, the higher the good purchase decision importance, and the higher the product involvement.

In low involvement purchase, consumer use limited number of information to judge brand or product preference. They also tend to be price sensitive and low loyalty (Aaker, 1991). In situation like that, it's interesting to ask what is the role of COO in purchase decision?

This interesting question is answered by Ahmed *et al*. (2004). To achieve this objective, they develop conceptual framework specialized for low involvement products. As exhibited in Figure 5, conceptual framework is started from extrinsic cues. The authors told that there were two main cues of product quality. The first cues are intrinsic cues, such as aroma, prestige, and quality. The second cues are extrinsic cues, such as price, COO, and brand. Extrinsic cues refer to indicators of quality or non-product dimension through which consumers judge product quality. According to Ahmed *et al*. (2004), price and brand are greater importance than COO in evaluating low involvement products.
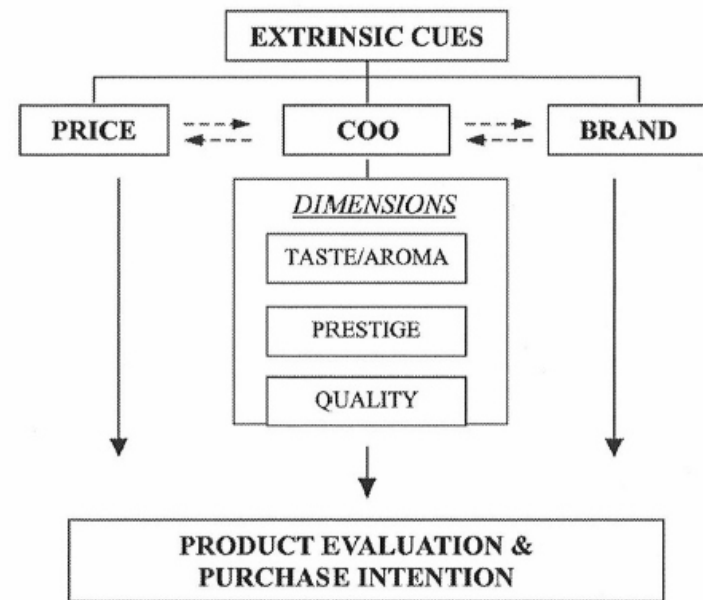
Source: Ahmed *et al.* (2004)

Figure 5. Conceptual Framework of COO Influence on Product Evaluation and Purchase Intention for Low Involvement Products

Effect of Congruence of Country of Origin of Manufactured and Country of Origin of Brand

Hui and Zhou (2003) are interested to find the effect of the congruence of COOB and COM toward brand image. They found that the comparison of the image of the country where the brand is developed or COOB (for example Japan for Sony) and the country where the product is manufactured or COM (for example Mexico for Sony Made in Mexico) affects the value of brand. If COM image is lower than image of COOB, the value of brand will be higher. In contrast, if image of COOB is higher than image of COM, the value of brand will be lower. As presented in Figure 6, the congruence between Japan and Mexico will influence the congruence of product attributes between one that produced in Japan and one that produced in Mexico. The higher the country level congruence, the higher the product attributes level attributes.
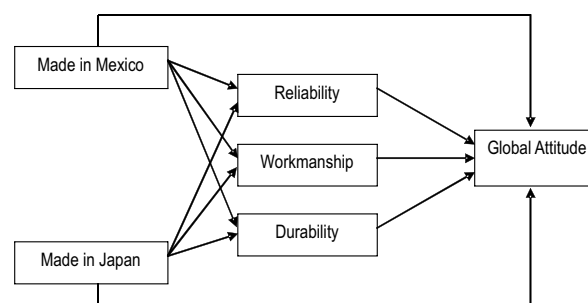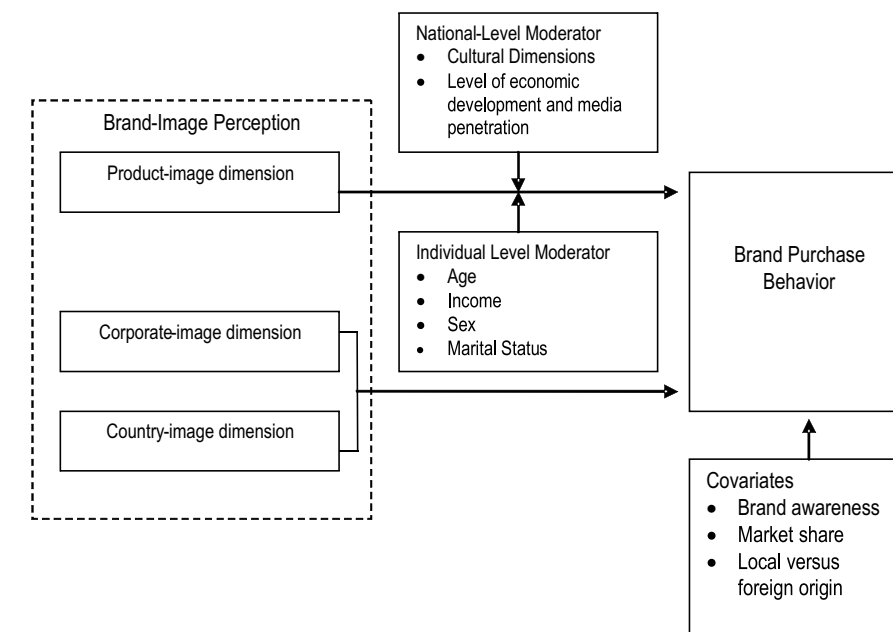

Source: Hui dan Zhou (2003)

Figure 6. Product Beliefs and Overall Affection as Function of Country of Manufacture.

The Relationship of Brand Image Perception and Brand Purchase Behavior

Hsieh *et al.* (2004) stated that brand image is shaped by three dimension, they are product image dimension, corporate image dimension and country-image dimension. Country image is classified into three categories. First, overall country image consists of customer total description, conclusion, and belief about particular country. Second, aggregate product country is a perception about overall quality of product that produced in particular country. The last one mentioned as specific product country image. This category contains perception of consumers about certain product category produced in particular country.

The authors grouped the three dimensions of brand-image perception into two effect dimensions. First, utilitarian-image effect resulted by product image dimension. Second, symbolic-image effect that drawn from corporate dimension and country-image dimension. Furthermore, those image effect dimensions influence consumer behavior. However, that influences is moderated by nation-level variables such as culture, media penetration level, and economic development level. Moderation role to that influence is also come from individual-level variables, such as age, income level, sex, and marital status.

Utilitarian-image effect is more dominant in less-development countries where the uncertainty is high (country-level variables), low income consumers, man, and old (individual-level variables). Meanwhile, symbolic-image dimension has more prominent role in developed countries ((country-level variables), high individualistic culture, high income consumers, and women (individual-level variables).

Source: Hui dan Zhou (2003)

Figure 7. Relationship of Brand Image Perception and Brand Purchase Behavior

Conceptual framework developed by Hsieh *et al*. (2004) has not gave attention on how to isolate relative effect of COO. They put corporate image and country image into the same construct, i.e. utilitarian-effect dimension. It seems that the desire to isolate effect of COO toward global brand image is quite satisfied by the experiment executed by Gurhan-Canli and Maheswaran (2000). The authors use motivation as moderation variables. High motivated consumers will process the information about product attributes in details. They tend to not use COO-related information significantly in their evaluation. They also perceive COO-related information less relevant than product attributes information.

In contrast, low motivated consumers tend to give high attention on COO. The consumers prefer to simplify information processing. They used particular cues as indication of quality, such as brand, price, or COO.

Now we can stated that the role of COO is higher on low-motivated consumers. Additionally, for low-motivated consumers, the function of COO is not only an aspect that involved to construct brand image, but through its halo effect, COO influence brand image as a whole.

The variation of COO effect is also proved by Piron (2000). He argued that COO effect on consumer decision is moderated by product type (luxury and necessity) and the nature of consumption (public and private). Based on those two major moderating variables, he classified product into four categories (see Figure 8), they are: (1) luxury product with high demonstration effect of use or publicly consumed luxury (PUL), such as luxury car, (2) publicly consumed necessity (PUN) with high use demonstration effect, such as cellular phone, (3) private consumed luxury (PCL), such as premium supplement food, and (4) privately consumed necessity (PCN), such as toothpaste. Piron (2000) said that COO effect is higher on PUL than PCN, on PCL than PCN, on PUL than PCL, on PUN than PCN, and on PCL than PUN.

PRODUCT TYPE

	LUXURY	NECESSITY
PUBLIC	PUL	PUN
PRIVATE	PCL	PCN

(CONSUMPTION)

Source: Piron (2000)

Figure 8. Product-Stimuli Matrix

Effect of COO on Brand Image

Although its root is planted on Lin and Kao (2004) and Hsieh *et al*. (2004), our conceptual framework is quite more advance in treating the relationship of brand image and its independent variables.
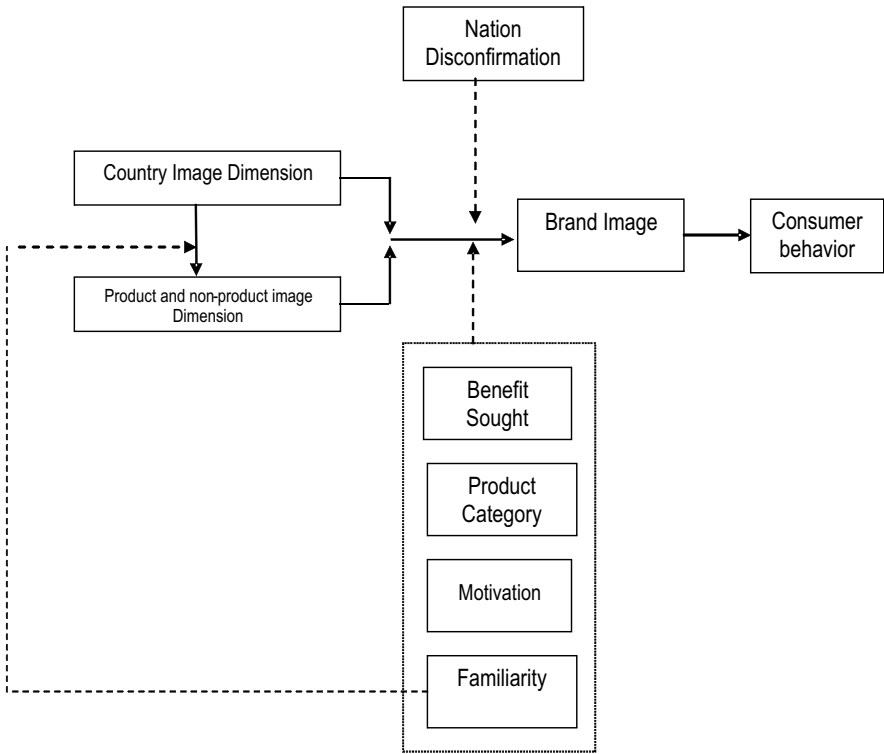
Figure 9. Product-Stimuli Matrix

Actually, among limited number of articles that explore effect of COO on brand image, article written by Lin and Kao (2004) seems quite special because it is the only article that associate COO with brand image (perception) directly (see Figure 3). Unfortunately, this article doesn't present the existence of other sources of brand image, such as product image dimension and corporate image dimension as presented by Hsieh *et al*. (2004).

We can not argue that Hsieh *et al*. (2004) proposed more advance framework for several reasons. First, although they present three dimension of brand image (Figure 4), but they do not describe relationship of each dimension with brand purchase behavior. They classify those dimension further into two category, i.e. utilitarian-image effect (proxy of product-image dimension) and symbolic-image effect (proxy of corporate-image and COO-image dimensions).

We face no problem with utilitarian-image effect because this variable is represented by product-image dimension solely. Therefore, when we find that consumer behavior is caused by utilitarian-image effect, we can conclude that brand image is shaped dominantly by product-image dimension.

Problem will come up to the surface in a situation that consumer behavior is influenced prominently by symbolic-image effect. Because this variable consist of two dimensions, it will be difficult for researcher to find out which one from those dimensions plays dominant role. In other word, it will be not ease for us to measure relative contribution of each dimension.

Second, according to our objective, model proposed by Hsieh *et al*. (2004) give no way for researcher to analysis relative contribution of each dimension on brand image. Third, there's no gate to search for possible multicolinearity among them because their model give no prejudice relationship about that.

Finally, corporate-image dimension is rarely considered by consumer, except for service companies. In fact, in service companies, product-image dimension is blurry because service is tangible. In such, consumers usually do not recognize individual product they consume but the experience they get (Schmitt, 1999).

To overcome these problems, the authors proposed conceptual framework to clarify relationship of COO and product-image dimension with COO. Because of fourth problem stated above, in our model corporate image is not included. This decision is also make sense because basically organizational association is included in individual brand. For example, the essence of Astra International is injected into power of Kijang Innova. Both of them are inseparable.

Keller (2003) also stated that if corporation is presented as family brand (such as Maspion), its difficult to identify the boundary of individual brand image and corporate image because the major part of image carried by individual brand are stemmed from corporate image.

By overcoming problems as discussed above our conceptual framework is slightly more progressive. Another would be contribution of ours is the idea of 'product-and-non-product-image dimension' that substitute 'product-image dimension' in Hsieh *et al*. (2004) model. According to Simamora (2004), company offering is not limited to actual product dimension (such as performance, conformance, durability, etc.) but it also encompasses non-product aspects (such as warranty, service after sales, delivery, etc.). Therefore, the latest approach is perceived to be more accurate to predict brand image.

As presented in Figure 8, country-image dimension (this concept is the same with COO) influence brand image directly (Lin and Kao, 2004). As quoted by Ahmed *et al*. (2004), Hong and Wyer (1989) said that when consumers presented with COO cue together with other cues such as price and brand, the effect of COO in their cognitive process can be observed in two ways, i.e. halo effect and the summary of construct.

Main Relationships and Product Familiarity

According to Hong and Wyer (1989), the COO had a direct influence on product evaluations (that proceed brand image), and also appeared to stimulate subjects to think more extensively about other product attribute information, augmenting the latter's effect. More precisely, Ahmed et al. (2004) stated that as halo effect means, COO influence brand image directly, while as summary of construct COO influence brand image indirectly through product dimensions.
Ahmed et al. (2004) also said that such condition are occurred when consumer are unfamiliar with product. On the other hand, if consumers are familiar with product, they will rely on 'product-and-non-product dimension' to evaluate product. This argument derives following main hypotheses (H1, H2, H3) and familiarity-related hypothesis (H4, D5):

H1: COO influences brand image
H2: Product-and-non-product' dimension influences brand image
H3: COO influence 'product-and- non-product-image' dimensions.
H4: Consumer familiarity on product moderates the influence of COO on brand image and the influence of 'product-and- non-product-image' dimension on brand image. Consumer familiarity weaken the influence of COO on brand image and strengthen the influence of 'product-and- non-product-image' on brand image.
H5: Consumer familiarity moderates the influence of COO on 'product-and- non-product-image' dimension in negative way. The lower the consumer familiarity on product, the stronger the influence of COO on 'product-and- non-product-image' dimension.

Product Category.

Piron (2000) has proposed some product-category-related hypotheses, but he only suggested relative important of COO between categories. In other word, what did he do only to compare the role of COO between categories that arranged in pairs. We perceive that classification matrix made by Piron (2000) is also useful to clarify the relationship of COO and 'product-and-non-product dimension' with brand image. As stated before, he said that product category moderates the relationship.
From four categories proposed by him (see Figure 8), we only take two categories for which we are quite sure to make conclusions, i.e. publicly consumed luxury (PUL) and privately-consumed necessities (PCN) categories.

On product that luxury and consumed publicly, the role of COO (COO effect) is higher than on necessities product that consumed privately. We think when COO effect is high 'product-and-non-product dimension' effect is low. On the other hand, when COO effect is low 'product-and-non-product dimension' effect is high. This argument derives the sixth, the seventh, and the eighth hypotheses below.
H6: Product category moderates the relationship of COO and brand image.
H7: For publicly consumed luxury products, the influence of COO on brand image is higher than 'product-and-non-product dimension'.
H8: For privately-consumed necessities products, the influence of COO on brand image is lower than 'product-and-non-product dimension'.

Benefit Sought

As stated before, benefit sought by customer classified as utilitarian and symbolic benefit by Hsieh *et al*. (2004). Aaker (1996) classified customer benefit into three category, i.e. functional, emotional, and self-expression benefits. Actually, both of the concepts are congruent. Utilitarian benefit is another term of functional benefit. Meanwhile, emotional and self-expression benefit are represented in symbolic benefit.

Hsieh *et al*. (2004) argued that for customers that seek symbolic benefit, the role of COO in their evaluation is higher. More specific, when a customer seek symbolic benefit (Hsieh *et al.*, 2004) and

product is consumed publicly (Piron, 2000), the role of COO in consumer evaluation will be high. Symbolic benefit that consumed publicly can be categorized as self-expression benefit (Aaker, 1996).

Hsieh *et al.* (2004) also has quoted that consumer that seek utilitarian benefit will be careless of COO benefit. This argument is congruent with argument stated by Aaker (1996) that consumer that seek functional benefit will evaluate product and non-product attributes as objective as possible. These arguments we use to derive hypothesis below.

> **H9:** **For consumers that seek self-expression benefit, the influence of COO will be higher than the influence of 'product-and-non-product dimension' on brand image.**
>
> **H10: For consumers that emotional, the influence of COO will be lower than the influence of 'product-and-non-product dimension' on brand image**.

Emotional benefit is a kind of good feeling and positive emotion created by product that remains inside. 'Remain inside' means that this good feeling and positive emotion are not expressed to other people (Aaker, 1996). It also means that the experiences gotten from using product are not shared or used to express 'who am I' (Schmitt, 1999). While this benefit is remained inside, we have no prejudice conclusion about its moderating effect on the relationship between COO and 'product-and-non-product dimension' on brand image.

Motivation

Gurhan-Canli and Maheswaran (2000) are interested to study moderating effect motivation to COO role in consumer evaluation relative to product information. They said that under low motivation situation, consumers prefer evaluation and information about COO than evaluation and information about product. Meanwhile, study executed by Ahmed *et al.* (2004) focused on moderating effect of involvement on effect of COO. Because no adaptation we make for this moderating variable, we do not propose new hypothesis.

Nation Congruence

This moderating variables substitutes all moderating variables proposed by Hsieh *et al.* (2004). We learn from Hui and Zhou (2003) that the more important thing is not the absolute value but the relative value of nation characteristics. We accept the latter, but we apply for different comparison. Hui and Zhou (2003) compare country of origin of brand (COOB) with country of manufacture (COM). Meanwhile, we compare country of origin manufacture with country of market. To make differentiation, we do not use the word 'congruence' to represent our concept, but 'nation disconfirmation'. This term is inspired by the concept of 'disconfirmation' used by Oliver (1999) to compare expectation and experience. Because what do we compare are different, we add 'nation' in front of 'disconfirmation', and then we get a new term.

For this reason, level of economic proposed by Hsieh *et al.* (2004) is inferior to relative level of economic. Study executed by Sohail (2005) is successful to prove that the role COO is significant for Germany technological products. It caused by positive nation disconfirmation, where country of origin (Germany)

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is perceived superior than country of market (Malaysia). The result will be different for countries that are perceived the same or inferior than Malaysia.

For product that produce and market in disconfirmation countries, or for the situation where the country of market is higher than country of origin (negative disconfirmation), COO makes no effect for product attributes quality (Hsieh *et al.*, 2004). These arguments may underlying why only 2.2% of Canada's consumers care with COO, as reported by Liefeld (2004). Now we arrive at the latest hypotheses.

> **H11: Nation disconfirmation moderates the influence of COO and brand image. The higher the nation disconfirmation, the higher the influence of COO on brand image**.

Brand Image and Consumer Behavior

According to Zaltman (2004) brand image possesses the strongest influence on consumer behavior. We make no hypothesis about relationship of brand image and consumer behavior for two reasons. First, there are no other arguments that different or oppose this proposition. Second, we accept the status of those two variables as a truth.

Discussion

Conclusions

We have seen various conceptual frameworks purposed to analyze the influence of COO on consumer behavior. Each framework serves a study for different context. Therefore, we will not find general theory that represent all conceptual frameworks and applicable to all situations or contexts.

Our conceptual framework is purposed to clarify the relative role of COO dimension and 'product-and-non-product' dimension on brand image. In general, researchers are more interested to put consumer behavior as dependent variable of COO. Meanwhile, in this article, we use brand image as dependent variable. Actually, our work is only slightly different from general approach. Since brand image is the strongest indicator of consumer behavior (Zaltman, 2004), our research approach will also predicts consumer behavior. Therefore, we make significant differentiation of dependent variable.

Our contribution is raised from breaking down product-image dimension proposed Hsieh et al. (2004) to the new and more details variable, i.e., 'product-and-non-product dimension'. Product dimension encompasses quality, attributes, and features (Kotler, 2000). We think, beside product dimension, consumers also consider 'non-product dimension', such as service after sale, value depreciation, corporate image, reputation, personal relationship, etc. We put those salient factors considered by consumer into new construct, i.e. 'product-and-non-product dimension'.

We also generate new construct that we call 'nation disconfirmation'. This construct refers to general comparison between to countries. More specifically, it means comparison of country of origin and country of market.

Implications for Further Research

Within this globalization era, it is very important for managers to understand the effect of COO on products and services especially for developing countries because it represents significant market barriers. Managers need specific information about COO perceptions if they market their products or services in foreign countries. In Indonesia, understanding the role of COO is also helpful for local market because in general Indonesian consumers perceive that foreign products and services are better than the local ones.

If all of the hypotheses in this conceptual framework are proved, we hope that we can understand deeply how consumers react to COO of products or services. This understanding will help managers in arranging marketing strategies. For example, the consumer's acceptance likelihood for necessities and privately-consumed products made in Indonesia will be higher than luxury and publicly consumed products. So, Indonesian companies should focus their effort in producing these kinds of products and services.

Joint venture and franchise strategies for short term purposes with a well-known brand are also proposed here to boost the sales volume. In practice this strategy has been implemented successfully by many companies. Some of them are Kentucky Fried Chicken, Pizza Hut, Mc Donald, etc. These strategies are especially very helpful if a manager wants to market unfamiliar products. For example, at the beginning many bilingual kindergartens with new teaching concepts in Indonesia were foreign companies franchising. But now, some of them are conducted purely by Indonesian.

In the longer term, managers should not depend to much to these strategies in case something happen to the business environment such as what happen to Nike factory in Indonesia. Besides, consumers will become more and more familiar with the products. Managers should improve the product and non-product dimension continuously so in the future they can market their own products and services by themselves.

The emotional aspect, which weakening the COO effect, is also useful for Indonesia's managers to organize their marketing strategies. Indonesia's managers should expose the emotional aspects of their products to dominate the consumers' mind. Besides, the emotional aspects are very powerful in influencing consumer's purchase choice because according to Zaltman (2003), people will only memorize something that has an emotional meaning to them.

For better results, we have three suggestions for one who wants to use our conceptual ready-to-execute conceptual framework. First, collect respondent form various segment according to the level of moderating variable. For example, if researcher follows our conceptualization on benefit sought, researcher is pleased to look for respondent who search for functional and self-expression benefit. Second, we suggest researcher to use structural equation modeling or path analysis. By do so, we expect researcher will be able to identify direct or indirect effect of COO on brand image.

Third, in our conceptual framework we have not explored brand image concept. There are various theories about this concept. Besides other concepts, we suggest strongly the concept of Zaltman (2004)

called Zaltman Metaphor Elicitation Technique (ZMET). This patented concept is useful to discover conscious minds as well as unconscious mind, a strength that can not be found in other concepts.

Limitations

When we adapt concept of Hsieh et al. (2004), we pay little attention on concept Ahmed, *et. al*. (2004). Therefore, our conceptual framework does not cover price variable. We can argue that price is intentionally excluded because we focus to explore the influence of COO dimension and 'product-and-non-product' dimension. However, we think that in the future, it is very useful to include the aspect of price. Study conducted by Speece and Nguyen (2005) revealed that price cuts by Korean brands do little to attract customers away from the higher perceived quality Japanese brands. Perceived quality differentials are too large to gain most customers who buy Japanese brands at any realistic level of price cuts. We also realize that if researcher use conjoint analysis, the present of price variable will change relative influence of COO on brand image.

If researchers utilize traditional research method, such as survey and questionnaires, we are afraid that our new construct 'product-and-non-product' dimension will encompasses all conscious and unconscious brand-related attributes. What can we put into questionnaires are knowledge that we are aware for that stem from conscious mind. In fact, major part of our knowledge is remained unconscious. This part can be disclosed by utilizing dept interview by skilled interviewer. On the other hand, structural equation modeling we propose required structured and quantity-liked data that can be drawn from traditional research. This dilemma is one of our conceptual framework limitations.

The effect of culture is also has not been included yet. Consumers in different countries differ in use of COO information, and how they use it also depends on the specific product (i.e., Sulaiti and Baker, 1998 in Speece and Nguyen, 2005). In reality, we observe a very interesting phenomenon about the effect of COO, price and type of product together in Indonesia market.

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