

THE IMPACT OF COUNTRY-OF-ORIGIN EFFECT ON TURKISH CONSUMERS' RESPONSE TOWARD FOREIGN ADVERTISEMENTS

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—Abstract —

The globalization of markets and the operations of firms on an international scale have triggered the cross-border flow of ads. Consumers who have negative feelings toward a country may tend to avoid purchasing its products that are presented in the ads independently of their perception of the products' quality or the ad claim's credibility.

Obviously, when people have no willingness or opportunity to know more details about the products, their evaluations more heavily base on country of origin effect cues as a shortcut. Thus, the findings of this study will reveal that even the fact of identical ad executions consumers evaluate the ads and response to these ads differently as a consequence of country of origin effect.

The ads will be examined through their purchase proposition and creative ad execution dimensions. The product characteristics, price, brand, the benefits of the product, country of origin effect all form the aspects of purchase proposition dimension. On the other hand, creative execution is the presentation of the mentioned attributes in order to attract consumers' admiration. Country-product pairs with both negative and positive images were selected in order to be used as stimulus material.

This research explores how Turkish consumers' perceive and give response to foreign advertisements emanating from particular countries which differentiate in the representation of country-product pairings. Finally, strategic implications for international advertisers are suggested.

Key Words: *Country-of-origin effect, foreign advertisements, purchasing intention.*

JEL Classification: M2, M37

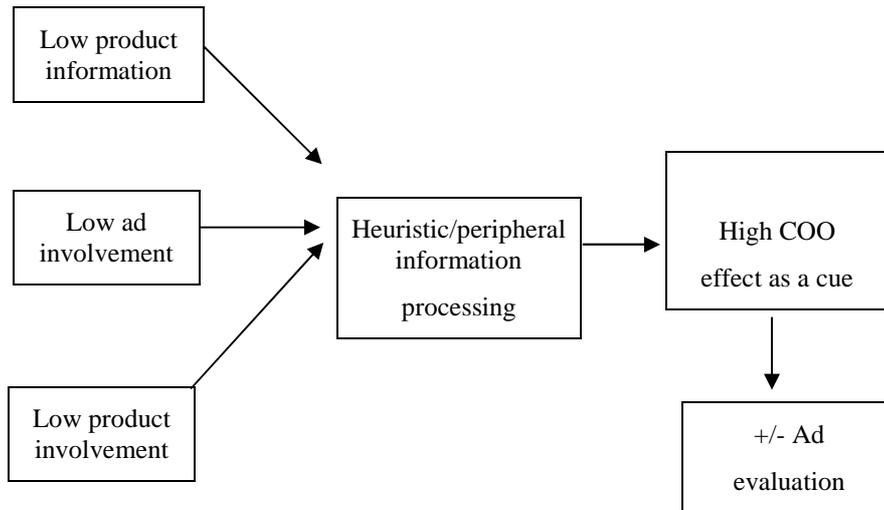
1. INTRODUCTION

Country-of-origin (COO) effect is a phenomenon that makes consumers to differentiate between products originated from different countries according to the stereotyped images of product and country pairs (Han and Terpstra, 1988). Therefore, consumers' evaluations and purchasing intentions are both affected by the images of the quality of products that are associated with a certain COO (Peterson and Jolibert, 1995; Srinivisan and Jain, 2003; Verlegh and Steenkamp, 1999). The psychological aspect of COO effects is handled through the summary construct model, the halo effect model, and the cognitive elaboration model (Han, 1989; Hong and Wyer, 1989; Knight and Calantone, 2000).

Actually, in order to make a product evaluation when consumers feel the lack of information, they use product-country images as a cognitive shortcut (Verlegh and Steenkamp, 1999).

As shown in the following figure, when consumers know less about the product and low involvement is observed, the COO effect becomes more powerful (Han, 1989; Maheswaran, 1994) on the evaluation of the advertisements within heuristic information processing (Eagly and Chaiken, 1993; Petty and Cacioppo, 1986).

Figure-1: The Relation between Country-of-Origin Effect and Ad Evaluation



This study claims that the product-country pair image impacts the interpretation of the advertisements. For a particular country, the mentioned image may vary across the products; thus pairing countries with particular product categories will be more practical.

H₁: Ads demonstrating relatively positive country-product pair image will be evaluated more positively than ads with a relatively negative country-product pair image.

In the case of systemic/central information processing, the ad will be examined more carefully; thus the positive/negative effect of the ad will be more significant for the consumers involved more with an ad (Petty, Cacioppo and Schumann, 1983).

H₂: If the ad involvement is low, the country-of-origin effect will be more powerful on product evaluation.

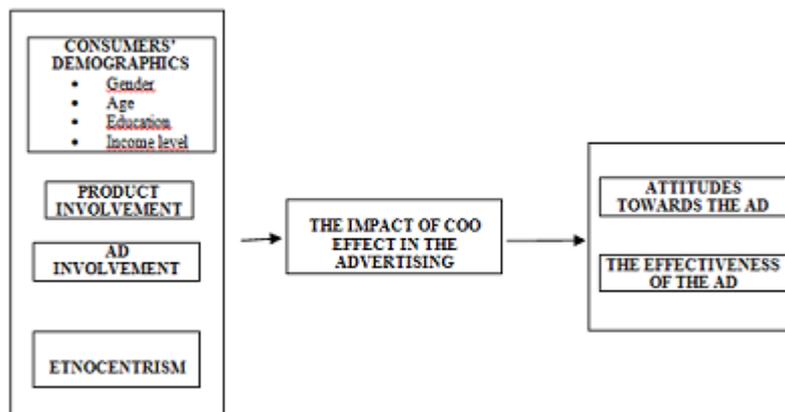
H₃: Ad evaluation will be done more easily when country-product stereotypes support the ad claim and impeded when these two are in conflict.

In Turkey, as in the other growing countries such as China (Sklair, 1994), CO is a determinant of product favorability in sense of symbolism and prestige in addition to overall quality (Ger, Belk and Lascu, 1993). Status concern becomes much more important in developing countries where strong interpersonal relations are of favor (Belk, 1988; Kottak, 1990). So;

H₄: Foreign origin will be significant in shaping consumer attitudes toward the ad claim in a positive direction.

H₅: A consumer's economically developed countries admiration moderates the favorability of attitude toward the ad more positively.

Figure-2: Research Model



H₆: Ethnocentrism affects the favorability and the ad credibility of the ad in a positive way.

2. METHODOLOGY

2.1. Stimulus materials

Two developing and one developed countries -Turkey, Iran and Germany- which are stereotypically paired with high image and low image products, were selected for the present research. Theoretically, developed and developing countries may be distinguished by their competitiveness which bases whether on technology or labor intensive outputs. Confirming this theory Germany-automobiles, Turkey and Iran-hand woven carpets are paired. Particularly the fame in hand woven carpet,

almost embedded in Turkish and Iranian culture, goes back to the history. Even, today two main types of knots are known as Turkish (also called symmetrical or Ghiordes) and Persian (also called asymmetrical or Senna) knots. Consequently these two mentioned countries are among largest exporters of hand rugs. Moreover in order to make inferences about ethnocentric motivations, Turkey's presence in this study is significant. On the other hand, Germany possessing the giant Volkswagen Group is one of the top four automobile manufacturers in the world. In addition to being a pioneer competitor in automobile industry, the country is considered to be the birthplace of the automobile.

Thus, three sets of experiments are designed: (1) German carpet -CADRYS and automobile ad -OLIMPISCHE, (2) Turkish carpet -OSMANLI DEKORASYON and automobile ad -ETOX, and (3) Iranian carpet -PERSIAN CARPET and automobile ad -IKCO.

The ads of hypothetical brands are created particularly for these experiments in order to prevent probable biases and to isolate the subjects' free evaluations from the likely effect of attitudes towards the existing brands.

2.2. Data collection

Participants were informed about the launch of two prestigious brands by emphasizing their COO and were asked to answer the questionnaire. Originating from the goal of examining country-product pair image differences' effects, questionnaires were adapted for all three countries (levels of COO -high versus low image) separately and convenience sampling method was applied with the consideration of time and resources available. The sample groups consisted of mainly undergraduate and graduate students. 47% of 191 subjects were females and the rest 53% were males.

2.3. Measures

Product involvement was measured with five items on a seven point scale with a high reliability (Zaichkowsky, 1985). The Cronbach's α of the PI scores for the two product categories and three countries were as follows: .79 both for automobile and hand-rug.

Consumers' ethnocentrism was measured by using three items again on a seven point scale. The Cronbach's α score was .69.

Ad involvement was measured by one item on a 5 point scale (1 = very bad to 5 = very good) asking consumers' direct opinion about the ads given.

Claim credibility (mean = 3.70) was measured with one item asking "whether the consumers find the ad's claim reliable or not" on a seven point scale.

Purchase intention (mean = 3.42) was measured with one item: "I'm willing to buy the products that I saw on the ads". In order to disclose ad effectiveness, purchase intention scores should be observed; because the fundamental target of an ad is to persuade consumers to purchase products or to direct them acting in a certain way.

3. RESULTS AND DISCUSSION

As a first step, MANOVA was used to analyse each three experimental designs involving highly intercorrelated dependent variables.

COO images' means for the given product categories supported expected low/high image country-product pairs selected for the research (see table-1).

The findings show that the main effect of COO is statistically significant for all dependent variables except ad favorability in each of the three experiments and ad claim credibility for rug ads. The main effect of COO is substantially larger for each of the three "attitudinal" measures than for purchase intention. This interesting result disclosed that Turkish consumers graded the ad favorability objectively; because ad favorability variable was indifferent among groups. This result also may let to make an inference that "the COO does not affect the ad favorability at a significant level".

Ethnocentrism effect on Turkish consumers was found to be weak with respect to COO effect. Thus, no significant effect of ethnocentrism was observed on the dependent variables.

In spite of the high image ratings for German automobiles, the buying willingness for Turkish automobile is greater when it was compared with its German counterparts. For the previous studies the reason of this interesting finding may be explored. This finding is supposed to be a competitive opportunity for the Turkish automobile industry.

Table-1: Descriptive Statistics of Dependent Variables

	Sample_Group	Mean	Std. Deviation	N
Rug_Image	IRANIAN	4,16	,898	61
	TURKISH	4,42	,721	67
	GERMAN	2,68	,758	63
	Total	3,78	1,101	191
How did you find the rug ad?	IRANIAN	3,07	1,223	61
	TURKISH	3,21	1,274	67
	GERMAN	3,03	1,150	63
	Total	3,10	1,214	191
Rug ad claim credibility?	IRANIAN	4,16	1,818	61
	TURKISH	4,30	1,750	67
	GERMAN	3,90	1,489	63
	Total	4,13	1,691	191
Rug (seen on the ad) buying willingness?	IRANIAN	3,90	1,814	61
	TURKISH	4,25	1,829	67
	GERMAN	3,35	1,557	63
	Total	3,84	1,770	191
Car_Image	IRANIAN	2,07	,834	61
	TURKISH	3,12	1,213	67
	GERMAN	4,27	,919	63
	Total	3,16	1,342	191
Car ad claim credibility?	IRANIAN	3,15	1,611	61
	TURKISH	4,07	1,645	67
	GERMAN	3,83	1,582	63
	Total	3,70	1,652	191
How did you find the car ad?	IRANIAN	3,13	1,056	61
	TURKISH	3,25	1,020	67
	GERMAN	3,10	1,146	63
	Total	3,16	1,071	191
Car (seen on the ad) buying willingness?	IRANIAN	2,75	1,670	61
	TURKISH	3,97	1,696	67
	GERMAN	3,48	1,693	63
	Total	3,42	1,751	191

Table-2: Results of MANOVA

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	How did you find the car ad?	,903 ^a	2	,451	,391	,677
	How did you find the rug ad?	1,157 ^a	2	,578	,390	,678
	Car ad claim credibility?	29,009 ^b	2	14,505	5,572	,004
	Rug ad claim credibility?	5,165 ^c	2	2,583	,903	,407
	Car buying willingness?	47,526 ^d	2	23,763	8,351	,000
	Rug buying willingness?	26,874 ^e	2	13,437	4,444	,013
	Car_Imaj	150,773 ^f	2	75,387	74,127	,000
	Rug_Imaj	112,088 ^g	2	56,044	89,056	,000
Intercept	How did you find the car ad?	1904,410	1	1904,410	1649,403	,000
	How did you find the rug ad?	1835,206	1	1835,206	1237,741	,000
	Car ad claim credibility?	2586,225	1	2586,225	993,526	,000
	Rug ad claim credibility?	3240,979	1	3240,979	1132,916	,000
	Car buying willingness?	2204,808	1	2204,808	774,823	,000
	Rug buying willingness?	2804,623	1	2804,623	927,615	,000
	Car_Imaj	1894,260	1	1894,260	1862,604	,000
	Rug_Imaj	2688,736	1	2688,736	4272,525	,000
Sample_Group	How did you find the car ad?	,903	2	,451	,391	,677
	How did you find the rug ad?	1,157	2	,578	,390	,678
	Car ad claim credibility?	29,009	2	14,505	5,572	,004
	Rug ad claim credibility?	5,165	2	2,583	,903	,407
	Car buying willingness?	47,526	2	23,763	8,351	,000
	Rug buying willingness?	26,874	2	13,437	4,444	,013
	Car_Imaj	150,773	2	75,387	74,127	,000
	Rug_Imaj	112,088	2	56,044	89,056	,000

Above it is seen that automobile ad claim credibility, buying willingness for the product seen on the ad, and product images differ among groups (see Table-2).

As shown on the table-2, the same structure is valid also for the case of ad claim credibility. German and Turkish car ad claims' credibility is significantly higher than the Iranian car ad claims' credibility.

Table-2: Scheffe Test

Car ad claim credibility?

Scheffe^{a,b}

Sample_Group	N	Subset	
		1	2
IRANIAN	61	3,15	
GERMAN	63	3,83	3,83
TURKISH	67		4,07
Sig.		,063	,685

Means for groups in homogeneous subsets are displayed.

Based on Type III Sum of Squares

The error term is Mean Square(Error) = 2,603.

a. Uses Harmonic Mean Sample Size = 63,570.

b. Alpha = ,05.

Car (seen on the ad) buying willingness?
 Scheffé^a

Sample_Group	N	Subset	
		1	2
IRANIAN	61	2,75	
GERMAN	63	3,48	3,48
TURKISH	67		3,97
Sig.		,057	,258

Means for groups in homogeneous subsets are displayed.
 Based on Type III Sum of Squares
 The error term is Mean Square(Error) = 2,846.
 a. Uses Harmonic Mean Sample Size = 63,570.
 b. Alpha = ,05.

Sheffe results demonstrate the differentiation of Iran from its German and Turkish counterparts.

Table-3:Multiple Comparisons

Scheffe

Dependent Variable	(I) Sample_Group	(J) Sample_Group	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Car_Image	IRANIAN	TURKISH	-1,05*	,178	,000	-1,49	-,61
		GERMAN	-2,20*	,181	,000	-2,65	-1,76
	TURKISH	IRANIAN	1,05*	,178	,000	,61	1,49
		GERMAN	-1,15*	,177	,000	-1,59	-,71
	GERMAN	IRANIAN	2,20*	,181	,000	1,76	2,65
		TURKISH	1,15*	,177	,000	,71	1,59
How did you find the car ad?	IRANIAN	TURKISH	-,12	,190	,813	-,59	,35
		GERMAN	,04	,193	,983	-,44	,51
	TURKISH	IRANIAN	,12	,190	,813	-,35	,59
		GERMAN	,16	,189	,703	-,31	,62
	GERMAN	IRANIAN	-,04	,193	,983	-,51	,44
		TURKISH	-,16	,189	,703	-,62	,31
Car ad claim credibility?	IRANIAN	TURKISH	-,93*	,286	,006	-1,63	-,22
		GERMAN	-,68	,290	,067	-1,39	,04
	TURKISH	IRANIAN	,93*	,286	,006	,22	1,63
		GERMAN	,25	,283	,679	-,45	,95
	GERMAN	IRANIAN	,68	,290	,067	-,04	1,39
		TURKISH	-,25	,283	,679	-,95	,45
Car (seen on the ad) buying willingness?	IRANIAN	TURKISH	-1,22*	,299	,000	-1,95	-,48
		GERMAN	-,72	,303	,061	-1,47	,03
	TURKISH	IRANIAN	1,22*	,299	,000	,48	1,95
		GERMAN	,49	,296	,251	-,24	1,22
	GERMAN	IRANIAN	,72	,303	,061	-,03	1,47
		TURKISH	-,49	,296	,251	-1,22	,24

Based on observed means.

*. The mean difference is significant at the ,05 level.

Two examined product categories also differentiate among each other. This may be occurred because the rug is out of young subjects' buying interests. But still, as there are not many options to be selected it is acceptable.

For the progress of rug industry both in Turkey and Iran more promotional activities should be organized because according to the findings in site of the oriental rugs worldwide fame still many respondents may prefer German rugs vs. Iranian rugs.

Consumers are examining ad creativeness objectively in any case; so the advertisers should not rely on powerful country-product pair images.

The compatible ad claims with the country-product pair image are being decoded more easily which in return participates in the achievement of ad effectiveness.

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