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Consumer knowledge and country of origin effects

Anja Schaefer

Manchester Business School, Manchester, UK

Introduction

Country of origin effects on consumers' evaluations of products have been of interest to researchers since the 1960s[1-4]. While it seems to be widely acknowledged today that country of origin has an impact on product evaluations[5], there is an ongoing debate concerning the magnitude of the effect, particularly in the presence of other extrinsic and intrinsic product information cues[6-9], and about the environmental[10-12] and individual factors[13-16] that may facilitate or inhibit reliance on country of origin.

Consumer knowledge has been mentioned as one such individual factor in various publications[17-19]. However, relatively few publications have addressed the issue in detail, either conceptually or empirically. The purpose of this article, therefore, is to explore various dimensions of consumer knowledge as it relates to country of origin effects and then investigate how these dimensions of knowledge affect consumers' use of country of origin in evaluating an alcoholic beverage, i.e. lager.

Conceptual framework

The literature presents two contrasting views concerning the likely impact of consumer knowledge on country of origin effects. One view is that consumers will use country of origin to infer product quality if they know little else about the product and/or product class[17,20-22]. The other view is that greater product class knowledge facilitates and thus increases the use of extrinsic cues, such as country of origin[18].

Empirical work in this area is comparatively scarce but Han[23] finds that consumers use country of origin as a "halo" from which to infer product attributes, if they are not familiar with a country's products, and as a summary construct, containing the sum of their product attribute knowledge, if they are familiar with a country's products. In an experimental study, Maheswaran[22] finds that experts rely on attribute information when evaluating motor cars, whereas novices rely on country of origin information. Cordell[11] reports that consumers are less concerned with country of origin if they are familiar with a brand.

Dimensions of consumer knowledge

Here an examination of prevailing conceptualizations and measurements of consumer knowledge, as well as the likely impact of different dimensions of such knowledge on consumer behaviour, appears useful. As Alba and

Hutchinson[24] point out, consumer knowledge should be regarded as a multi-dimensional construct, where different types of product-related experience lead to different dimensions of knowledge, and these different dimensions of knowledge have different effects on product evaluations and choice behaviour, depending on the specific situation and task at hand.

Several important distinctions must be made between different dimensions of consumer knowledge. The first distinction is between product-related experience and product knowledge. Product knowledge or familiarity is the cognitive representation of product-related experience in a consumer's memory, which takes the form of a product schema and is likely to contain knowledge in the form of coded representations of brands, product attributes, usage situations, general product class information, and evaluation and choice rules[25]. The product schema may also contain country of origin information. From these considerations it would follow that product experience will only exert an indirect influence on consumer behaviour, including the use or otherwise of the country of origin cue, and that direct measures of product knowledge, rather than experience, are preferable.

A second distinction must be made between subjective and objective product knowledge, i.e. between individuals' perceptions of how much they know and the amount, type, or organization of what they have stored in their memory[26]. Measures of subjective knowledge can indicate self-confidence levels, and high subjective knowledge may increase an individual's confidence in relying on information stored in the memory, such as country of origin. High levels of objective product knowledge, on the other hand, mean both more information stored in the memory and a greater ability to learn and use new information, e.g. about product attributes[24,26-28].

Third, we must distinguish between general product class knowledge and specific brand familiarity. While general product class knowledge may facilitate the use of any extrinsic product information cue, direct experience with a particular brand is likely to facilitate the use of brand name specifically as a choice criterion and may thus decrease the use of any other cues.

A final distinction must be made between product class knowledge and country knowledge. Although these may to some extent overlap they are evidently not identical. A measure that taps product class knowledge as it relates to countries of origin, or country knowledge relating to products, may be particularly useful when investigating the impact of consumer knowledge on country of origin effects. Product knowledge in relation to countries of origin is called product-country knowledge hereafter.

Impact of dimensions of consumer knowledge on country of origin effects

Brand familiarity

Where consumers are confronted with a familiar brand name they tend to reach evaluations quickly and directly without much effortful external search, because they are familiar with the brand's attributes[26]. In such situations no

further search for and processing of information is necessary. Thus it seems reasonable to assume that consumers who are familiar with a particular brand will not rely on country of origin, or attribute information, to any large extent, in evaluating that brand.

Objective product class knowledge

From the above considerations it would seem to follow that if the specific brand under consideration is familiar, a consumer's level of objective product class knowledge may not have any great impact on his/her use of the country of origin cue. However, where the particular brand is not familiar, objective product class knowledge is likely to influence a consumer's evaluation and choice processes. Where attribute information is readily available and/or where the situation warrants the search for such information, consumers with high levels of objective product knowledge can be expected to base evaluations on intrinsic attributes rather than extrinsic cues such as country of origin (see [22]).

However, extensive product attribute information is often not readily available in choice situations, nor is the search for it always warranted. In such situations, and if the brand is unfamiliar, consumers may rely on other extrinsic product information cues, such as country of origin, price, or warranty. Unlike price and warranty, country of origin is a fairly complex cue whose meaning must be learnt for different product classes. Objective product class knowledge is likely to contain some information relating to countries of origin of the product and should therefore facilitate the use of the cue. Thus, in situations where product attribute information is not readily available or obtainable and where the brand name is unfamiliar, consumers with higher levels of objective product knowledge can be expected to rely more on the country of origin cue than consumers with low levels of product knowledge.

Subjective product class knowledge

While objective product class knowledge is likely to influence information processing strategies, subjective product class knowledge is more likely to affect consumers' confidence in using information stored in the memory. As such information is likely to relate partly to countries of origin, consumers with high levels of subjective product knowledge can be expected to be more confident in using the country of origin cue. Thus consumers with higher levels of subjective product knowledge are likely to rely more on country of origin than consumers with low subjective product knowledge.

Research objectives and hypotheses

The present study was designed to investigate the relationship between various dimensions of consumer knowledge and consumers' use of the country of origin cue in evaluations of lager. It attempts to supplement and expand the relatively few existing empirical studies in this area [11,22,23]. In contrast to this earlier research, the present study uses measures of several dimensions of consumer

knowledge in one piece of research and thus enables the author to compare their respective impacts on country of origin effects. This study also differs from previous ones in so far as it concentrates exclusively on extrinsic product information cues and as it investigates the issue for a fast-moving consumer good (FMCG), rather than durables. An FMCG was chosen because country of origin effects in this area are comparatively under-researched. Consumers are often not very involved in the purchase of such products and thus unlikely to engage in lengthy information search and processing[29]. Also, attribute information is often very limited at the point of purchase, where decisions concerning these products will often be made. Thus it seems reasonable to expect consumers to rely to a large extent on readily available extrinsic cues, such as brand name and country of origin. These are also the two cues used in this study.

Brand familiarity

Under the circumstances spelled out above, consumers can be expected to rely more on country of origin in product evaluations if the brand name of the product is not familiar, whereas, if the brand is familiar, they are more likely to base their evaluations on the known attributes of the brand.

H1: In a situation where only brand name and country of origin are available as information cues, consumers are more likely to rely on country of origin if the brand name is unfamiliar than if it is familiar.

Direct experience of a particular brand can be expected to reinforce reliance on known brand attributes and the influence of country of origin should be even smaller than in the case of general familiarity with the brand (which can, but need not, include direct, personal experience).

H2: Consumers who have personally tried a particular brand will rely to a lesser extent on country of origin when evaluating that particular brand than consumers who have not personally tried the brand.

Objective product-country knowledge

While objective product knowledge can, under certain circumstances, lead to more extensive processing of product attributes, as was discussed above, in the case of low-involvement products extended information search is unlikely and extensive attribute information is not normally easily available at the point of purchase. Here higher levels of objective product-country knowledge should facilitate and thus increase the use of the country of origin cue, particularly if the brand name is unfamiliar.

H3: Consumers with higher levels of objective product-country knowledge will be more likely to rely on country of origin when evaluating low-involvement products, particularly if these products carry an unfamiliar brand name, than consumers with lower levels of product-country knowledge.

Subjective product class knowledge

Consumers' perception of how knowledgeable they are may influence their confidence in using extrinsic cues. Thus consumers with high levels of subjective product knowledge may be more willing and likely to rely on country of origin information in product evaluations. However, high levels of subjective product knowledge may also increase a consumer's confidence in relying on the known attributes of a familiar brand. Increased reliance on country of origin is thus most likely to occur where the brand name is unfamiliar.

H4: Consumers with higher levels of subjective product class knowledge will be more likely to rely on country of origin when evaluating products, particularly those with an unfamiliar brand name, than consumers with lower levels of subjective product knowledge.

Methodology

Data for this study were collected through a postal survey of consumers of lager in south-east England. Since the population of lager consumers in this region could not be identified reliably the use of a probability sample was impossible. Consequently, the sample was chosen mainly on the basis of convenience and accessibility, although efforts were made to reach as broad a spectrum of consumers as possible.

Initially the attempt was made to get off-licence stores to distribute questionnaires to interested customers, thus trying to eliminate non-users of lager from the sample. Although a number of stores agreed to co-operate, the response rate obtained through this channel was very disappointing. Of 80 questionnaires handed to off-licences in a trial period only eight were returned. Therefore, in a second phase, 320 questionnaires were directly distributed to homes in the above-mentioned area. Based on the judgement of the researcher and local residents various neighbourhoods were chosen so as to represent different sections of the population. Although this method of distribution could not ensure that only users of lager received questionnaires it was made clear in a covering letter that only users of the product should respond. Ninety-two responses were obtained through this channel, resulting in an overall response rate of 25 per cent, which was deemed satisfactory.

Because of the small number of responses obtained through the off-licence stores, analysing the two groups of responses separately promised little possible insight. The two types of response were thus merged for analysis after a preliminary examination gave no indication that they differed in any systematic way.

A breakdown of the responses shows that respondents were generally slightly older and of higher socio-economic status than the general user population of lager.

Operationalization of concepts

The questionnaire was designed with the help of findings from a preliminary focus-group interview, in order to lend greater validity to the terms used. The

concepts used in the conceptual framework and the research hypotheses above were operationalized in the questionnaire as follows. The questions used in the questionnaire are shown in the Appendix.

In this study a simplified evaluation situation was given, where the available product information was restricted to country of origin and brand name. Respondents were asked to rate products on the basis of both brand name and country of origin and on the basis of country of origin alone (Q4 and Q6 respectively). Ratings were on seven-point semantic-differential scales on the dimensions of "overall quality", "value for money", and "social acceptability/trendiness". The countries of origin included were Australia, Belgium, Czechoslovakia, Denmark, Germany, The Netherlands and the UK. Two brands were included from each country, one familiar, the other unfamiliar (invented by the researcher).

In the analysis the two sets of ratings were correlated (using Spearman's rho) for each country-brand pair across the sample. The degree of correlation was interpreted as an indication of the degree to which respondents had relied on country of origin when evaluating a product on the basis of brand name and country of origin. (It must, of course, be noted that correlation analysis really only gives an indication of association, not causation, and particularly where brand names are familiar it is conceivable that the image of a brand may have influenced the country ratings. This problem does, however, seem difficult to avoid if wishing to look at both familiar and unfamiliar brands, but it must be borne in mind when interpreting the results.)

Brand familiarity was manipulated by using one generally familiar and one unfamiliar (invented) brand name for each country of origin. Correlations involving familiar brands were furthermore only calculated for a sub-set of respondents who had declared themselves familiar with the respective brand (Q3 of the questionnaire).

In order to determine brand experience respondents were asked to indicate whether they had personally tasted any or all of the familiar brands used in the ratings questions (Q2 of the questionnaire).

Subjective product class knowledge was elicited through a "tick the right box" type of question, offering four knowledge levels (Q1 of the questionnaire).

In order to determine objective product country knowledge a fairly simple measure was used to elicit how familiar respondents were with the brands of lager product in various countries. Respondents were asked to identify the country of origin of 15 brands of lager (Q3 of the questionnaire). This was taken as a measure of one aspect of objective product-country knowledge and respondents were classified as having either high, medium, or low knowledge, depending on the number of correct identifications.

To measure whether the above dimensions of consumer knowledge have any impact on the use of country of origin in product evaluations, the whole sample was split into sub-groups depending on knowledge categories. Correlations between the two sets of ratings were calculated separately for each sub-group. Sign-tests were then used to determine whether one sub-group showed

generally significantly higher correlations (and thus country of origin effects) than another.

Results

This presentation of the results starts with a summary of respondents' ratings of products on the basis of country of origin alone and brand name and country of origin. While not the focus of the study this will give a background to results regarding consumer knowledge and country of origin effects and thus aid the interpretation of those results. Following this summary of ratings it will be investigated whether there is any evidence for country of origin effects in the data in general before embarking on an examination of any impact of consumer knowledge.

Summary of ratings

A summary of respondents' ratings of product stimuli is given in Table I. For each country the ratings on the basis of country of origin alone are shown first, followed by the ratings on the basis of familiar brand name and country of origin, and finally ratings on the basis of unfamiliar brand name and country of origin. Results are shown separately for each of the rated product dimensions (overall quality, value for money, and social acceptability/trendiness), and include the mean, the standard deviation, and the non-response rate for each question. As background data these are thought to be largely self-explanatory and are not further discussed here.

Evidence for country of origin effects

As explained above, evidence for respondents' use of the country of origin cue in product evaluations was sought by correlating ratings on the basis of country of origin alone and on the basis of brand name and country of origin. The results of this analysis are shown in Table II. Data are again presented separately for each product dimension. Each correlation coefficient is preceded by the number of responses available for this particular calculation in parentheses, and an asterisk (*) denotes whether the correlation is significant at the 5 per cent confidence level.

The results show significant correlations in approximately two-thirds of the cases. This seems to indicate that, on the whole, there are country of origin effects. However, this seems to vary between countries. For instance, there appears to be more evidence for country of origin effects in the case of lager made in the UK than of lager made in The Netherlands, etc. It should also be noted that some correlations, while significant, are relatively weak, suggesting, if anything, only a minor country of origin effect.

Brand familiarity and country of origin effects

In *H1* above it was proposed that country of origin effects would be stronger if the brand name was unfamiliar, on the grounds that, if the brand name was

										Consumer knowledge and country of origin
	Quality			Value			Acceptability			
	M	S	NR (%)	M	S	NR (%)	M	S	NR (%)	
Australia	4.53	1.46	1	4.49	1.28	2	4.27	1.60	3	
Fosters	4.48	1.47	2	4.34	1.37	2	4.17	1.63	2	
Johnstons	3.88	0.90	26	3.58	1.00	26	3.54	1.26	26	
Belgium	4.97	1.21	2	4.45	1.25	3	5.11	1.21	4	
Stella Artois	5.48	1.09	2	4.53	1.35	2	5.33	1.31	2	
Bouviere	4.08	0.93	24	3.75	0.95	24	3.66	1.29	24	
Czechoslovakia	4.23	1.67	8	4.20	1.44	10	4.18	1.69	6	
Budvar	4.39	1.67	20	4.20	1.47	20	3.94	1.68	20	
Karlov Vary	3.87	1.07	25	3.83	1.23	25	3.64	1.33	25	
Denmark	5.18	1.25	4	4.45	1.16	3	4.81	1.32	3	
Carlsberg	4.45	1.44	3	4.34	1.38	2	3.89	1.46	3	
Tjelleberg	4.13	0.98	22	3.82	1.07	22	4.01	1.33	22	
Germany	5.74	1.06	1	4.92	1.27	1	5.67	1.12	4	
Becks	5.15	1.18	8	4.01	1.26	9	5.24	1.38	8	
Schneider	4.24	1.09	26	3.70	0.98	26	3.90	1.22	26	
The Netherlands	4.62	1.30	4	4.23	1.23	5	4.64	1.39	4	
Heineken	4.68	1.40	2	4.34	1.41	2	4.13	1.51	2	
Vandemeers	3.96	1.00	25	3.77	0.99	25	3.81	1.12	25	
UK	3.72	1.75	3	4.02	1.61	3	3.75	1.71	4	
Carling Black Label	3.84	1.62	3	3.81	1.54	3	3.45	1.68	3	
Smith's	3.78	1.26	20	4.00	1.19	20	3.34	1.35	20	

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Table I.
Summary statistics
of ratings: mean
values (M), standard
deviations (S), and
non-responsive
rates (NR) of brand and
country ratings

Note:

Familiar brand shown after country followed by unfamiliar (invented) brand

familiar, consumers would rely on the known attributes of the brand. However, a further look at Table II shows that this seems not to be the case. On the contrary, a sign test shows that correlations between country ratings and ratings of familiar brands are, on the whole, significantly ($p = 0.0072$) stronger than correlations between country ratings and ratings of unfamiliar brands. $H1$ must therefore be rejected.

Two possible reasons for this come to mind. One is that many respondents were, contrary to expectations, not confident to rely solely on country of origin in evaluating a product with an unfamiliar brand name. The other possible reason is that the image of a familiar brand may be a strong constituent part of product-country images and may thus have influenced country ratings. Unfortunately, correlation analysis cannot test this, so this notion must remain speculative here. In the following section it will be seen whether the results are different when the comparison is not between familiar and unfamiliar brands but between consumers with or without personal experience of a brand.

	Quality	Value	Acceptability
Australia			
Fosters	(95) 0.772*	(94) 0.555*	(93) 0.647*
Johnstons	(74) 0.167	(73) 0.051	(73) 0.048
Belgium			
Stella Artois	(95) 0.315*	(94) 0.194*	(93) 0.344*
Bouviere	(76) 0.441*	(76) 0.182*	(74) 0.186
Czechoslovakia			
Budvar	(38) 0.691*	(38) 0.529*	(38) 0.474*
Karlovy Vary	(73) 0.670*	(72) 0.387*	(73) 0.580*
Denmark			
Carlsberg	(91) 0.545*	(92) 0.376*	(91) 0.383*
Tjaelleberg	(77) 0.300*	(77) 0.320*	(77) 0.328*
Germany			
Becks	(84) 0.225*	(83) 0.504*	(82) 0.158*
Schneider	(74) 0.245*	(74) 0.191	(72) 0.063
The Netherlands			
Heineken	(94) 0.042	(93) 0.116	(94) 0.182*
Vandemeers	(74) 0.178	(73) 0.025	(73) 0.076
UK			
Carling Black Label	(91) 0.717*	(91) 0.520*	(90) 0.545*
Smith's	(80) 0.436*	(80) 0.283*	(79) 0.464*

Table II.
Evidence for country
of origin effects:
Spearman's rank
correlation coefficient,
 ρ , between brand and
country ratings

Notes:

Sign test comparing correlations involving familiar brands vs. unfamiliar brands: correlations between country ratings and ratings of familiar brands are significantly stronger ($p = 0.0072$)
Figures in parentheses () = sample size for that pair of ratings
* = correlation is significant at the 5 per cent confidence level

Personal brand experience and country of origin effects

In *H3* it was proposed that consumers with personal experience of a brand would be less likely to rely on country of origin information when evaluating that particular brand than consumers without such personal experience. In Table III the correlations of country ratings and ratings of familiar brands are shown separately for respondents with and without personal experience of the brand in question (except for the brands Heineken and Carlsberg, of which virtually all respondents had personal experience). A sign test suggests that there is no significant difference in the strength of the correlations depending on personal experience of a lager brand. *H2* is therefore also rejected on the basis of these findings. The reasons may be similar to those suggested above in the section on brand familiarity.

Objective product-country knowledge

H3 stipulates that respondents with higher objective product-country knowledge will rely more on country of origin in evaluating brands, particularly unfamiliar ones. Stronger correlations between country and brand ratings are therefore expected with higher levels of product knowledge. Table IV shows the

	Brand experience			No brand experience		
	Quality	Value	Acceptability	Quality	Value	Acceptability
Australia						
Fosters	(87) 0.775	(86) 0.565	(85) 0.645	(10) 0.865	(10) 0.663	(10) 0.623
Belgium						
Stella Artois	(85) 0.297	(84) 0.239	(83) 0.358	(12) 0.505	(12) 0.054	(12) 0.233
Czechoslovakia						
Budvar	(26) 0.593	(26) 0.562	(26) 0.411	(52) 0.676	(51) 0.205	(52) 0.715
Germany						
Becks	(68) 0.276	(68) 0.522	(66) 0.194	(24) -0.107	(23) -0.239	(24) -0.276
UK						
Carling Black Label	(73) 0.699	(73) 0.573	(72) 0.590	(22) 0.788	(22) 0.453	(22) 0.538

Notes:

Sign test comparing strength of correlations, brand experience vs. no brand experience: no significant differences ($p = 0.6072$)

Numbers in parentheses () indicate number of respondents with or without experience of the particular brand

Table III.
Brand experience:
correlations between
brand and country
ratings by respondents
with and without brand
experience

correlations between country and brand ratings separately for respondents with different levels of objective product-country knowledge.

A sign test comparing the correlations between ratings by the various subsamples in Table IV shows that there are significantly stronger correlations between country ratings and ratings of unfamiliar brands by respondents with higher levels of objective product-country knowledge than between ratings by respondents with lower levels of such knowledge. The strength of correlations between country ratings and ratings of familiar brands of lager does not vary significantly with objective product-country knowledge.

This suggests that, when evaluating unfamiliar brands of lager, respondents with higher levels of objective product-country knowledge rely more frequently on country of origin than do respondents with lower levels of such knowledge. As expected, objective product-country knowledge seems to have little effect on evaluations of familiar brands. *H3* is thus supported by the data.

Subjective product class knowledge

It is expected that correlations, particularly those involving unfamiliar brands, will be stronger for respondents with higher levels of self-assessed product category knowledge. Because of a very small number of responses falling into some of the subjective knowledge categories given by the questionnaire, the original four levels were combined into just two, "high" and "low" subjective product knowledge.

Table V shows the correlations between country and brand ratings, depending on respondents' subjective product knowledge. A sign test shows no

Table IV. Objective product-country knowledge and country of origin effects: correlations between brand and country ratings by objective product-country knowledge

	Low knowledge			Medium knowledge			High knowledge		
	Quality	Value	Acceptability	Quality	Value	Acceptability	Quality	Value	Acceptability
Australia									
Fosters	(20) 0.792*	(20) 0.517*	(19) 0.586*	(51) 0.745*	(50) 0.465*	(50) 0.673	(22) 0.840*	(22) 0.701*	(22) 0.724*
Johnstons	(18) -0.017	(18) -0.258	(19) 0.285	(38) 0.114	(37) -0.048	(37) 0.156	(16) 0.828*	(16) 0.636*	(16) 0.349
Belgium									
Stella Artois	(19) 0.292	(19) 0.179	(19) 0.494*	(52) 0.472*	(51) 0.196	(50) 0.315*	(22) 0.006	(22) 0.303	(22) 0.326
Bouviers	(18) 0.149	(18) -0.154	(18) 0.015	(40) 0.334	(40) 0.236	(38) 0.140	(16) 0.787*	(16) 0.388	(16) 0.412
Czechoslovakia									
Budvar	(6) 0.900*	(6) -0.226	(6) 0.119	(16) 0.690*	(16) 0.424	(16) 0.715*	(16) 0.565*	(16) 0.758*	(16) 0.213
Karlovy Vary	(18) 0.255	(18) 0.168	(18) 0.608*	(37) 0.701*	(38) 0.412*	(37) 0.498*	(16) 0.639*	(16) 0.528*	(16) 0.679*
Denmark									
Carlsberg	(19) 0.443*	(19) 0.084	(19) 0.342	(47) 0.488*	(48) 0.514*	(48) 0.456*	(23) 0.758*	(23) 0.283	(22) 0.151
Tjaeleberg	(19) 0.266	(19) -0.095	(19) 0.324	(40) 0.302*	(40) 0.395*	(40) 0.325	(16) 0.622*	(16) 0.470*	(16) 0.485*
Germany									
Becks	(14) 0.231	(14) 0.369	(14) 0.245	(48) 0.169	(47) 0.524*	(46) 0.075	(21) 0.496*	(21) 0.719*	(21) 0.390*
Schneiders	(18) 0.186	(18) 0.313	(18) -0.006	(39) 0.212	(39) 0.155	(37) 0.045	(15) 0.645*	(15) 0.377	(15) 0.294
The Netherlands									
Heineken	(19) 0.134	(19) 0.251	(20) 0.266	(51) 0.090	(50) 0.171	(50) 0.165	(22) 0.099	(22) 0.057	(22) 0.289
Vandemeers	(19) 0.147	(19) -0.345	(19) -0.122	(38) 0.123	(37) 0.184	(37) 0.083	(15) 0.277	(15) 0.216	(15) 0.515*
UK									
Carling Black Label	(17) 0.442*	(17) 0.504*	(17) 0.480*	(50) 0.658*	(50) 0.373*	(49) 0.490*	(22) 0.808*	(22) 0.635*	(22) 0.450*
Smiths	(18) 0.298	(18) 0.129	(18) 0.342	(40) 0.451*	(39) 0.214	(39) 0.573*	(20) 0.327	(20) 0.325	(20) 0.314

Notes:

Sign test comparing correlations:

Familiar brands:

Low vs medium – no significant differences ($p = 1.0000$)

Medium vs high – no significant differences ($p = 0.1892$)

Low vs high – no significant differences ($p = 0.1892$)

Figures in parentheses () = sample size for that calculation

* = correlation is significant at the 5 per cent level

Unfamiliar brands:

Low vs. medium – medium significantly stronger correlations ($p = 0.0015$)

Medium vs. high – high significantly stronger correlations ($p = 0.0015$)

Low vs. high – high significantly stronger correlations ($p = 0.0000$)

	High knowledge			Low knowledge		
	Quality	Value	Acceptability	Quality	Value	Acceptability
Australia						
Fosters	(58) 0.761*	(57) 0.642*	(56) 0.631*	(35) 0.776*	(35) 0.400*	(35) 0.633*
Johnstons	(46) 0.087	(45) 0.149	(45) -0.079	(26) 0.302	(26) -0.093	(26) 0.271
Belgium						
Stella Artois	(58) 0.253*	(57) 0.198	(57) 0.368*	(35) 0.377*	(35) 0.220	(34) 0.379*
Bouvier	(46) 0.598*	(46) 0.140	(45) 0.368*	(28) 0.139	(28) 0.234	(27) -0.029
Czechoslovakia						
Budvar	(27) 0.616*	(27) 0.533*	(27) 0.508*	(11) 0.800*	(11) 0.406	(11) 0.584*
Karlovy Vary	(45) 0.701*	(45) 0.521*	(44) 0.559*	(26) 0.663*	(25) 0.139	(27) 0.627*
Denmark						
Carlsberg	(57) 0.629*	(57) 0.405*	(55) 0.387*	(32) 0.513*	(33) 0.276	(34) 0.448*
Tjelleberg	(46) 0.248*	(46) 0.394*	(45) 0.291*	(29) 0.279	(29) 0.234	(30) 0.401*
Germany						
Becks	(55) 0.282*	(54) 0.444*	(54) 0.200	(27) 0.076	(27) 0.623*	(26) 0.144
Schneiders	(44) 0.339*	(44) 0.227	(43) 0.126	(28) 0.093	(28) 0.147	(27) 0.020
Netherlands						
Heineken	(58) 0.187	(58) 0.092	(58) 0.236*	(35) -0.126	(34) 0.261	(35) 0.187
Vandemeers	(44) 0.205	(44) 0.178	(43) 0.193	(28) 0.042	(27) -0.115	(28) -0.055
UK						
Carling Black Label	(56) 0.700*	(56) 0.552*	(55) 0.516*	(33) 0.736*	(33) 0.417*	(33) 0.552*
Smiths	(51) 0.438*	(50) 0.394*	(50) 0.331*	(27) 0.467*	(27) 0.144	(27) 0.670

Notes:

Sign test correlations:

Familiar brands - high vs low knowledge - no significant differences ($p = 0.6636$)Unfamiliar brands - high vs low knowledge - no significant differences ($p = 0.3833$)

Figures in parentheses () = sample size for that calculation

* = correlation is significant at the 5 per cent level

Table V.
Subjective product
knowledge and country
of origin effects:
correlations between
brand and country
ratings by subjective
product category
knowledge

significant difference in the strength of correlations of brand and country ratings of lager. The findings do therefore not lend support to $H4$.

There is no immediately obvious explanation for this. It seems possible that clearer results might have been obtained had there been sufficient responses to keep the four original levels of subjective product knowledge. Future research will have to determine whether subjective product knowledge has generally no effect on consumers' use of country of origin in evaluations of lager and whether this finding translates to other products.

Conclusion

From the findings of this study it appears that brand familiarity and objective product knowledge together have a significant effect on the use of the country of

origin cue in product evaluations, although neither of the two factors has a general effect on its own. Objective product knowledge appears to lead to an increased reliance on country of origin in product evaluations if the brand name is unfamiliar, but not if the brand name is familiar. Subjective product knowledge and personal experience with a brand were not found to have any effect on the extent to which country of origin information seemed to be used in product evaluations.

The findings of this study contrast to some extent with those of earlier studies. Unlike the research by Cordell[11] this study did not find that brand familiarity reduced the importance of or reliance on country of origin. The findings also suggest that objective product-country knowledge can, under certain circumstances, increase consumers' reliance on country of origin in judging a product, particularly if the brand name of that product is unfamiliar. This contradicts suggestions by some researchers[17,20,21] that country of origin would be used by consumers if they knew little about the product class in question. These findings are also to some extent in contrast, although not necessarily in contradiction, with the findings of Maheswaran[22], which suggested that experts relied less on country of origin than novices when evaluating products. In the Maheswaran study respondents had the choice of relying either on country of origin or on specific attribute information. In the present study the choice was between two extrinsic cues, country of origin and brand name. It may well be that, if both intrinsic and extrinsic product cues are available, more knowledgeable consumers will rely on intrinsic attribute information whereas less knowledgeable consumers lack the expertise to do so, but that in situations where only extrinsic attributes are available as product information, more knowledgeable consumers are better able and thus more likely to use country of origin as a cue. It is also possible that consumers are more willing to rely on an extrinsic cue, such as country of origin, when evaluating a comparatively low-involvement product, such as lager, than when evaluating a complex, high-involvement product, such as motor cars.

These findings have clear implications for marketers of lager and possibly also of other alcoholic beverages. It seems that more knowledgeable consumers may be more sensitive to a product's country of origin than less knowledgeable consumers. This suggests that marketers who target more knowledgeable, possibly more discerning, consumers can make use of a favourable product-country image to position a new product. On the other hand, an unfavourable product-country image may hamper the success of a new brand aimed at the more knowledgeable segment. The findings may also suggest that, when targeting less knowledgeable consumer segments, marketers need not be quite as concerned about product-country images.

Further research is clearly needed to determine whether the findings of this study can be generalized to other products in the same category and to other product categories. Potential mediating factors that should be taken into account in future research may be the level of product involvement as well as

the perceived homogeneity of brands from a particular country of origin. Both factors were not explicitly considered in this study and future research into this area may benefit from their inclusion.

Future research into the impact of brand familiarity and product class knowledge on consumers' use of the country of origin cue should also bear in mind the problem of separating impacts of country of origin on evaluations of familiar brands from influences of such familiar brand images on country images. Qualitative research into the nature and mechanisms of country of origin effects may prove useful in this area.

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Appendix. Reproduction of questionnaire used in data collection

Question 1

In your own opinion, how much do you know about the various types and brands of lager available in the UK? The purpose of this question is *not* to test you. Whichever of the answers below you tick is equally valuable.

- | | |
|---|---|
| <input type="checkbox"/> I know a lot about them. | <input type="checkbox"/> I have an average knowledge about them. |
| <input type="checkbox"/> I don't know very much about them. | <input type="checkbox"/> I know very little or nothing at all about them. |

Question 2

Please tick those of the following brands that you have *tasted*.

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Heineken | <input type="checkbox"/> Becks |
| <input type="checkbox"/> Fosters | <input type="checkbox"/> Stella Artois |
| <input type="checkbox"/> Budvar | <input type="checkbox"/> Carling Black Label |
| <input type="checkbox"/> Carlsberg | |

Question 3

Please tick those brand names on the following list which you know or of which you have heard (it is not necessary that you have tasted the brand yourself). If you think you know the country in which the brand is produced (or the country from which the brand comes originally even if it is now produced in the UK), please write down the name of the country in the space provided. Whether you know few or many brands is not important. Your answer will be equally valuable in either case.

- | | | | | |
|--|--------------------------------------|---|--|--------------------------------------|
| <input type="checkbox"/> Heineken | <input type="checkbox"/> Grolsch | <input type="checkbox"/> Fosters | <input type="checkbox"/> Budvar | <input type="checkbox"/> Carlsberg |
| <input type="checkbox"/> Tuborg | <input type="checkbox"/> Castlemaine | <input type="checkbox"/> Harp | <input type="checkbox"/> Becks | <input type="checkbox"/> Löwenbräu |
| <input type="checkbox"/> Stella Artois | <input type="checkbox"/> Oranjeboom | <input type="checkbox"/> Pilsener Urquell | <input type="checkbox"/> Carling Black Label | <input type="checkbox"/> Kronenbourg |

Question 4

In the following you are given brand names and producer countries of 14 different lagers. I would like to know your opinion about each of the lagers, *regardless of whether you are familiar with it or not*. Therefore your answer *can* but *need not* be based on your own experience with the lager in question. There are no right or wrong answers, so please tick the answer that best expresses your personal opinion.

1. Carlsberg
Product of Denmark

(a) Please give your opinion of the overall quality of this lager. [Circle one response only.]

very good overall quality 7 6 5 4 3 2 1 very bad overall quality

(b) If you were serving this lager to friends/guest, how would this be seen by them?

very trendy, highly acceptable 7 6 5 4 3 2 1 not trendy, not at all acceptable

(c) Would this lager, in your opinion, be good value for money or bad value for money?

very good value for money 7 6 5 4 3 2 1 very bad value for money

Please judge the brands on the following pages in the same way.

(Question was repeated for the following combinations: Becks, produce of Germany; Bouvier, produce of Belgium; Budvar, produce of Czechoslovakia; Carling Black Label, produce of the UK; Vandemeers, produce of The Netherlands; Schneiders, produce of Germany; Foster's, produce of Australia; Tjelleberg, produce of Denmark; Karlovy Vary, produce of Czechoslovakia; Johnstons, produce of Australia; Heineken, produce of The Netherlands; Stella Artois, produce of Belgium; Smiths, produce of the UK.)

Question 5

Please judge the overall quality of lager produced in the following countries. There are no right or wrong responses, the question asks for your own opinion.

Australia	very good	7	6	5	4	3	2	1	very bad
Belgium	very good	7	6	5	4	3	2	1	very bad
Germany	very good	7	6	5	4	3	2	1	very bad
UK	very good	7	6	5	4	3	2	1	very bad
The Netherlands	very good	7	6	5	4	3	2	1	very bad
Czechoslovakia	very good	7	6	5	4	3	2	1	very bad
Denmark	very good	7	6	5	4	3	2	1	very bad

(The question was repeated for the product dimensions of "value of money" and "trendiness/social acceptability".)