AALBORG UNIVERSITET

The Impact of Multiple Countries of Origin Image on Consumer Perception Concerning Hybrid Products

Made at Aalborg University

-2012-

Title sheet

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Place of study: Aalborg University

Study: MSc in International Marketing

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Subject: Master Thesis

Title: The Impact of Multiple Countries of Origin Image on Consumer Perception Concerning Hybrid Products

Supervisor: Andreea Ioana Iacob

Delivering date: 6.05.2019

Number of Words: 25 175

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Executive Summary

The study opens with an introduction that has the purpose of getting the reader familiar with the context of the problem. Furthermore past research studies are carefully analyzed in order to make sure that the problem that is about to be formulated is as relevant as possible and that it fills gaps that are encountered in the area literature.

Next, the reader will be slowly glided into the definition of the problem by setting the background in which the problem was formulated in order to better understand the reasoning for formulating the problem in the way that is formulated. After setting the purpose of the study, the framework of theory of science and methodology that is applied in the project is presented with the intention of establishing the paths that the investigator will follow in order to successfully reach a satisfactory answer to the problem formulation and to make it easier for the reader to understand why decisions, methods, models, argumentation, and conclusions are devised the way they are.

After deciding upon methods and techniques to use along the study in the search for a solution the coming step is to apply those as wise as possible. When considering theories and models in order to build a framework to test empirically the investigatory tried to keep in mind the objectives of the study that are flowing from the problem formulation. In the first part of the theoretical considerations, the reader is familiarised with the most important concepts that are used in the study. Moreover the problem is approached from general to specific. The cultural background of the consumers is discussed, then the formation and implication of the stereotypes are considered; equal important are considered the groups of reference that the consumers rely on and chose as example. More deeply, the attitude formation with respect to the country of origin is considered along with the decisional process, the theory being moved from the general context of culture to the actual situation of purchase decision, all regarded from the country of origin point of view and problem formulation.

It was considered helpful to end this chapter "Theoretical Considerations" with a theoretical framework that will help moreover in the creation of the questionnaire and

the interpretation of the results, but most important will help answering the problem formulation.

The analysis of the empirical data will be according to the objectives and problem formulation. Implicitly the hypotheses that were defined with the purpose of being tested through the questionnaire will be discussed in order to offer a conclusion for the problem formulation. Last, limitations that the investigator encountered will be discussed and also recommendations for future research will be developed.

I.   Introduction

The development of communications and transportations means simplified considerably the geographic market expansion of the companies all over the world. In other words this was leading to an increased globalization. (Silvakumar, 2008, p. 1)

As a result of the globalization, a wide number of product alternatives are now available at the consumer disposal (Watson and Wright, 2000).

According to the circumstances just presented, the companies are facing new problems, as how to appeal to such a big market, in this sense they try to understand all the factors that influence the consumer product perception (Silvakumar, 2008, p. 1). The above shows why country of origin effect started to be a widely studied phenomenon. Since 1965 (Scholler), the first study that emphasise the importance of country of origin, many definitions have been developed. The definition that was found appropriate by the investigator is the one composed by Akria Nagashima (1970). He stated that the country of origin image is a picture, a reputation, a stereotype that businessmen and consumers attach to the products from a specific country (Nagashima, 1970, p. 68). Regarding the importance of the made-in image, Pauwels and Harbers (2005) stated the following: *"Just as a reputable brand name adds to the credibility to a company and its products, a reputable source country adds credibility to a brand name"* (Pauwels and Harbers, 2005, p. 3). In the statement just quoted, the *"source country"* is presented as having a great importance and impact on brand. However one can wonder if country of origin still can influence consumer buying decision in the circumstances of increased globalization when purchasing traded goods have become an integral part of the typical consumer life.

1. Past Literature Review

The country of origin concept is studied since 1960s by Ernest Dichter (1962) who mentioned the importance of consumer differences and the similarities across countries. However, the first that confirmed empirically that country of origin has an impact on product evaluation was Schooler (1965); he showed that consumers differentiated products based on country of origin aspect in situations when the products were identical in all the other aspects.

Along the time, researchers discovered that country of origin has an importance only in certain circumstances and with certain conditions.

Past research shows that the image associated with country of origin plays a significant role in consumer perception of products, country of origin being considered a signal that enables consumers to make instant decisions when more versatile and comprehensive information is not available (Grazin and Olsen, 1998). In other words, country of origin is considerably important when the consumer is not familiar with the product and needed information is not available.

Usunier (2000) identifies a type of consumers that he calls "novices" and refers to them as the ones that lack in product knowledge or expertise and states that they take into consideration country of origin cue under any circumstances. On the other side, he identifies the expert consumers who take into consideration country of origin cue only when product attributes are not clear.

The most discussed and controversial issue regarding country of origin is the quality element. Many authors consider country of origin as being a signal for quality, *"A products national origin acts as a signal of product quality...and affects perceived risk as well as likelihood of purchase"* (Li and Wyer, 1994).

Country of origin has a greater impact on product quality than product evaluation because the concept "attitude" is broader than the concept "quality" and gathers more factors aside quality.

Some authors noticed that country of origin has a higher effect on product quality and product perception than on purchase intentions (Peterson and Jolibert, 1995). However, one can disagree with this because attitudes precede intentions which lead to behaviour (Brown and Stayman, 1992).

The following statement is supporting what was just written *"country of origin is not merely a cognitive cue for product quality, but also relates to emotions, identity, pride and autobiographical memories"*, (Verlegh and Steenkamp, 1999, p. 523).

Li and Wyer (1994) also admits that the effect of country of origin is not just on perceived quality but in addition to this, country of origin has a *"symbolic and emotional meaning"* to consumers, can be associated with *"status, authenticity and exoticness"*.

Beside quality and product familiarity in relation to country of origin are discussed also the price and product category. Regarding the product category concept, it is considered that country of origin varies by product category, the country of origin cue being more relevant for high involvement products than for low involvement products (Sivakumar, 2008).

The relation between country of origin and price is significant, however price is considered important only under less favourable country of origin conditions because a less favourable country of origin represents a higher risk for consumers and in this case price concessions are needed; a reduced price might increase consumer intentions (Johansson and Nebenzahl, 1986).

Yi Cai (1994) asserts that country of origin cues may have enough power to make a product acceptable or inacceptable for some consumers, for others this cue is just lowering or rising the perceived value of the product.

Another interesting point of view that Yi Cai sustains is the *"employment of discrimination"* which represents the consumer willing to pay for being associated with some countries instead of others, thus price reduction in this cases might not induce a positive buying decision.

Regarding country preference many studies noticed that there is a difference among country development and product perception, for example Samie (1994) shows that consumers from high developed countries prefer local products instead of imported ones; in addition to this, those consumers prefer products from culturally similar countries in cases when a local product is not available.

On the other hand, in the case of the consumers from low developed countries, a preference for imported products can be noticed. It is considered that country of origin image reflects the social status that the product brings to consumers from high developed countries. The consumer admiration for high developed countries lifestyle is transferred to the products from those countries (Batra et al, 2000, p. 83).

In the chapter VIII.1 Appendix1 are presented the most relevant or important studies that were made along the time concerning the country of origin concept in order to have a better overview of the past literature and to easily identify gaps and inspiration for further research. Looking at the previous research it can be easily seen that not many authors were focusing on the low involvement products. The reason for this is because many researchers agree on the fact that country of origin is not significant for low involvement products as it is for high involvement products.

Regarding country of origin as a product evaluation cue it is considered cognitive or affective, very few researchers are considering it both cognitive and affective.

Another observation that can be made regarding the issue of sampled consumers' country of provenience, low or high developed. There are studies focusing on both of them but separately. The result may be compared but still remains the question if exactly the same research will be made on both consumers from low developed countries and high developed countries what the results may be? How different the result may be and why?

Looking at all the academic finding in the area, the author of the project wonders if there is a correlation between academic research and marketing practices. The majority of the studies show that country of origin is an important cue in product evaluation but in reality seams that the number of companies that have their products manufactured in China is increasing, as the news sites are writing: *"Like many other international luxury brands, Armani has contracts with manufacturers in China. As usual, the contract clothing makers get from 1% to 3% of the final sale"* (The Guardian, 2012).

All this brings up the curiosity if consumers really consider the place of manufacturer in their buying decision. An important aspect that is rarely taken into consideration is the difference between the "made in" label and the "country of origin". Consumers think about Lamborghini as an Italian car even if is not owned by an Italian company and about Nike as an American product even when they are produced in China (Usunier, 2006, p. 64). An explication for this might be the companies' efforts for hiding unfavourable country of manufacturer or that consumers just do not consider important where a product is manufactured if they trust in brand and its origins.

The gap identified by the author, who is also approached in this project, concerns the fact that the concept of country of origin is not clearly differentiated from the one of made-in country and no study showed empirically the difference reflected in consumer

perception regarding the two concepts, many of the studies being applicable in the cases where country of origin is also the place where the manufacturer takes place

2.   Research Context – Romania

In the following, general information about Romania will be included, as it is the location where the research will take place. The purpose of this chapter is to make the reader familiar with the Romanian culture, economical and political situation of Romania.

Romania is situated on the Black Sea coast in the south-eastern part of Europe and shares borders with Hungary, Serbia, Bulgaria, Ukraine and Republic of Moldova. The Carpathian Mountains and the Transylvanian Alps divide the country into three regions: Wallachia, Moldavia and Transylvania. The majority of the people are Romanian.

Romania is mostly known as a communist-bloc nation. In December 1989 a national revolution was leading to the overthrow of Nicolae Ceausescu, the communist leader. The 1991 Constitution established Romania as a republic with a multiparty system, market economy and individual rights of free speech, religion and private ownership.

For many centuries Romania's economy was based on agriculture. In the 1950s the communist leader of Romania began developing heavy industry.

Since 1990, successive governments have concentrated on turning Romania into a market economy. (www.romaniatourism.com, 2012)

Romania joined NATO in 2004 and became a member of the European Union in 2007.

Regarding the economy in Romania after the revolution it can be looked at some economical indicator. For example it can be discussed the economical growth, inflation rate, budget deficit, unemployment rate and foreign direct investment. In the local newspapers is written that in 2008 Romania's economical growth reaches 7.3 % and in 2011 only 2%. The inflation rate in Romania increases in 2008 at 8% but in 2011 reaches the lowest level after revolution, 3.1%. The unemployment rate also increases to 6.6 in 2011 and the foreign direct investment are reaches in 2011 the lower level in the last year. (www.business24.ro)

"*Foreign visitors consider Romanians among the friendliest and most hospitable people on earth. Romanians are by nature fun loving, warm, hospitable, and playful, with an innate sense of humor*". (www.romaniatourism.com, 2012)

3.   Problem Field

In the next section the reader will be slowly slipped into the definition of the problem by setting the context in which the problem was formulated in order to better understand the reason for formulating the problem the way that is formulated. Later one the problem will be defined and also it will be discussed the way of reaching a pertinent answer.

The investigator considers important to make a distinction between country of origin, *"the country which a consumer associates with a certain product or brand regardless of where the product is actually produced"*, (Jaffe and Nebenzahl, 2001, p. 27) and made-in country, *"the country whose name appears on the made-in label...usually the country where final production takes place"* (Jaffe and Nebenzahl, 2001, p. 26). It was found interesting by the investigator to look at the differences in the consumer perception toward a product's country of origin and made-in country in order to make a comparison between the two. These two concepts will be analyzed in the context of low developed countries and on global brands but as well on new products (unfamiliar products).

Besides all the important details that fix the scenario, insides into the mind of the consumer are important, as well as the factors around them that shape their decision and theirs way of thinking.

Problem Formulation

What is the impact of multiple countries of origin image on the consumer perception concerning hybrid products in an emerging market setting?

The investigator's ambition is to analyze how consumers deal with the information regarding countries of origin in the case of hybrid products. The choice of hybrid products is explained by the fact that the amount of information and the involvement that hybrid products pose might complicate the decisional process and confuse the consumer, this making very interesting to see the impact of different countries of origin in the consumer decision making process. The choice of making this study on an emerging country is explained by the fact that hybrid products are not often studied from the perspective of the emerging countries consumer. In addition to this, many

studies showed that consumers from high developed countries are presenting ethnocentric behaviour by choosing irrationally domestic products compared with the ones from low developed countries which are considered as having othercentric behaviour. In these circumstances the investigator considered that the consumers from low developed countries will not be influenced by ethnocentric feelings and will give more accurate response.

With the purpose of clarifying the path that the question will follow, one sub-question was defined:

> ***Is there any difference between the importance of country of origin information (associated country) and the manufacturing country information in the consumers' decisional process?***

The aim of the project is to analyze both, the impact of country of origin and the made-in country on product perception. As presented before, the investigator chooses to make a difference between the two concepts and considers that there are significant differences between the perceptions of them which impact the product in different ways. The investigator considers of high importance the understanding of them separately, as two different concepts.

As previously, researchers chose to focus on high involvement products, the investigator as well chooses to study the country of origin and made-in country impact on high involvement products in order to easily compare the findings with previous research and also because he agrees that the product perception is more affected in this case. Beside the characteristic of high involvement, the hybrid product characteristic is chosen by the investigator to be analyzed furthermore. Hybrid products are considered for the study due to the fact that these products are composed from multiple components sourced in multiple countries and the investigator considers important to see how consumers evaluate products when the made-in label in decomposed in many source places.

In order to answer these questions properly a closed attention will be given to theories dealing with the consumer's decisional process in accordance with the country of origin aspect. Also theories concerning culture, reference group implications in the decisional process and stereotypes creation and usage will be discussed. The theory will help the investigator better judge the previous findings and to come up with a framework to

guide the research. Based the theoretical framework and previous findings   objectives and hypothesis will be defined in order to be tested empirically.

II. Research Methodology

In this chapter the framework of theory of science and methodology that is applied in the project is presented. The purpose is to specify the ultimate presumptions this project is based on, as it is believed to make it easier for the reader to understand why decisions, methods, models, argumentation, and conclusions are devised the way they are. It is important to notice that this chapter is not to be regarded as an explanation of why elements are devised in a certain way but to present the thoughts that permeate the forming of this project. It is not to expect that the reader agrees upon the statements presented, as the choice of methodology is regarded as depending on the subject's realm of understanding which is different from person to person and influenced by the concrete context.

A. Theory and Research

This subchapter will briefly discuss the ways of leading to answers and solution used in the Science Theory Research and moreover the type of theories that should be used and their importance will be discussed, in order to get more knowledge for solving the defined problem.

1. Induction and Deduction

Within the field of theory of science there are two different ways to get to the findings or answers that one is searching: induction and deduction. The logic of induction is that the investigator works from a bottom up perspective, as the starting point is the observations from which a pattern is created. Thereafter, tentative hypotheses are developed and used in forming a theory for the specific study area. (Bryman, 2008, p. 9-13)

On the contrary, the logic of deduction states that the investigator takes his starting point in theory and then forms hypotheses on the basis of the theory. Thereafter, the hypotheses are tested on observations and the aim is to find patterns verifying or falsifying the hypotheses, finally, a confirmation is made. (Bryman, 2008, p. 9-13)

In this project the deductive approach is chosen, theories and past research are used in order to create a framework that will be tested in reality through information gathering and analysis.

2.   Grand Theories and Middle-Range Theories

According to Bryman (2008) "a theory is an explanation of observed regularities". He makes a distinction between theories; he classifies theories into grand theories and middle range theories. Grand theories are explained as operating at the general an abstract level, giving few indications to researchers. On the other hand, middle range theories are described as operating in a limited domain.

Middle range theories are placed between grand theories and empirical findings, making the linkage between the two and filling the gap of grand theories by attempting to explain and understand the limitation that the grand theories implies. (Bryman, 2008, p. 6-8)

It can be argued that both types of theories are important to be used in a research in order to get a better insight into the problem and into the solving of the problem.

The importance of using grand theories consists in the fact of giving an overview, a perspective view of the problem or situation. This is useful because can represent a guide for further actions.

Middle range theories are also important because these theories are the way one chooses to proceed in his research, it represents a closer approach to the solution, it clarifies ones' way towards the finding. In this project the investigator wishes to carefully choose and link the theories in order to create knowledge. In this sense both grand theories and middle range theories will be used in the research.

Along the project are used grand theories concerning culture, reference group and segmentation which are linked with less abstract theories like theories that clarifies the concept of stereotyping in the context of country of origin. In the case of the chosen models the same criteria is followed, there are models like the halo construct model and summary construct model.

Articles that deal with the same topic and past research results are used as foundation for the problem formulation, and also as reflection points of view for the theories and models.

B.   Concepts in Research Methodology

Looking at the ways that many authors within the field of Social Science express themselves in order to offer a guideline for creating knowledge and conducting research, it can be noticed that there are some differences in terms of concepts. In the following, two viewpoints will be discussed and compared, namely Burrell's and Morgan's (1979) and Arbnor's and Bjerke's (2009) points of view.

1.   Terminology According to Burrell and Morgan

Ontology wonders whether the investigated reality is external to the individual or is the product of individual consciousness, whether reality's nature is objective or is the products of individual cognition;

Epistemology is concerned with the study of knowledge and what the researcher accepts as being valid knowledge. This involves the examination of the relationship of the researcher with the research;

Human Nature revolves around the issues of what model of man is reflected in any given social-scientific theory;

Methodological assumption is concerned with the process of the research, the overall approach to the research process. (Burrell and Morgan, 1979, p. 3-5)

2.   Terminology According to Arbnor and Bjerke

Conception of reality refers to philosophical ideas about how reality is constructed, whether reality exists in and of itself or through our mediation;

Conception of science has to do with the knowledge achieved through education, which gives us our concepts or beliefs about the objects and subjects we study;

Scientific ideals are related to researchers as persons, an expression of something related to their desire of achievement concerning the research;

Ethical and aesthetical aspects have to do with what we as researchers claim is morally suitable or unsuitable. (Arbnor and Bjerke, 2009, p. 16)

3.   Comparison and Insights

As it can be seen above there are different ways of expressing the assumptions that researchers deal with when conducting a research. When looking in detail at the concepts that were presented it can be argued that those are covering in part the same issues.
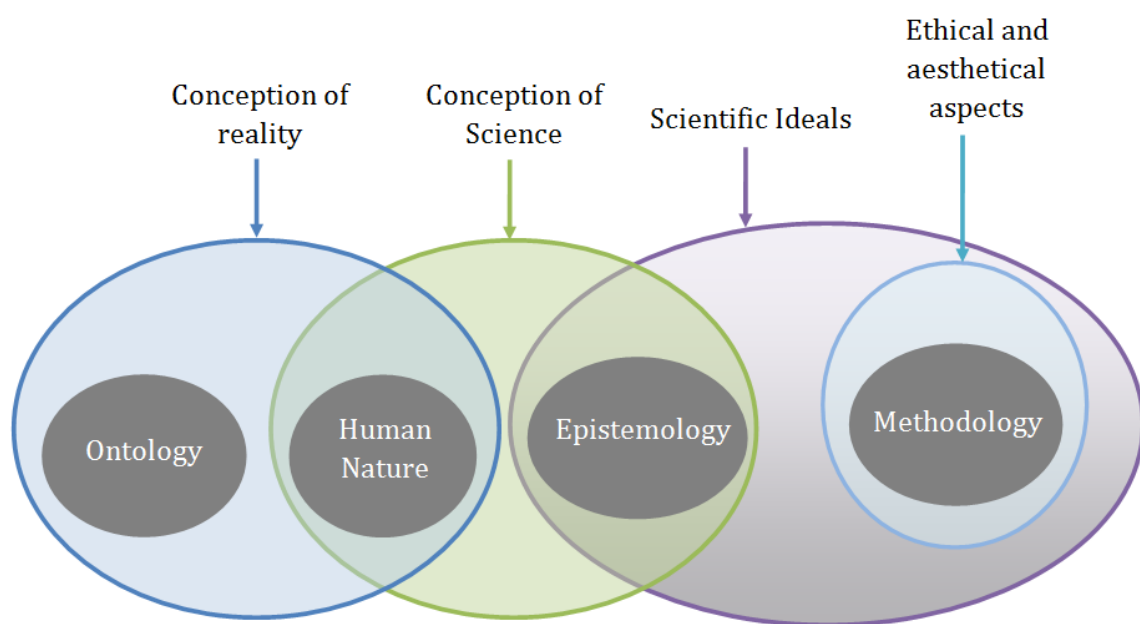
Figure 1: *Concepts in Research Methodology (own creation inspired by Arbnor and Bjerke (1997) and Burrell and Morgan (1979))*

As *Figure 1* illustrates, Arbnor and Bjerke's (1997) "Conception of Reality" can be compared to Burrell and Morgan's (1979) concept of "Ontology" because both authors refer to the researchers' wonders about the reality that they are investigating, if it is external to them or it is in fact a product of their imagination; both concepts are dealing with the fundamental question of what reality is. As can be noticed, to the "Conception of Reality" term is attributed in the figure (See *Figure 1*) also the term of Burrell and Morgan's (1979), "Human Nature". It can be argued that Arbnor and Bjerke (2009) do no describe it directly but definitely it can be identified indirectly in the "Conception of Reality" term and "Conception of Science" term.

Besides the association of "Human Nature" with the "Conception of Science" also "Epistemology" can be indentified in the explanation of that term; because all these terms has to do with the knowledge researchers gained through education and how education shapes their judgments.

It can be said that the "Scientific Ideals" term covers both "Epistemology" and "Methodology" since it refers to the researchers' goals and choices.

Last, the "Ethical and aesthetical Aspects" is in concordance with the "Methodology" due to the fact that relates to morality and openness concerning the research realization.

C.   Methodological Framework

The project uses as a starting point the figure below which is inspired by Arbnor and Bjerke (2009).
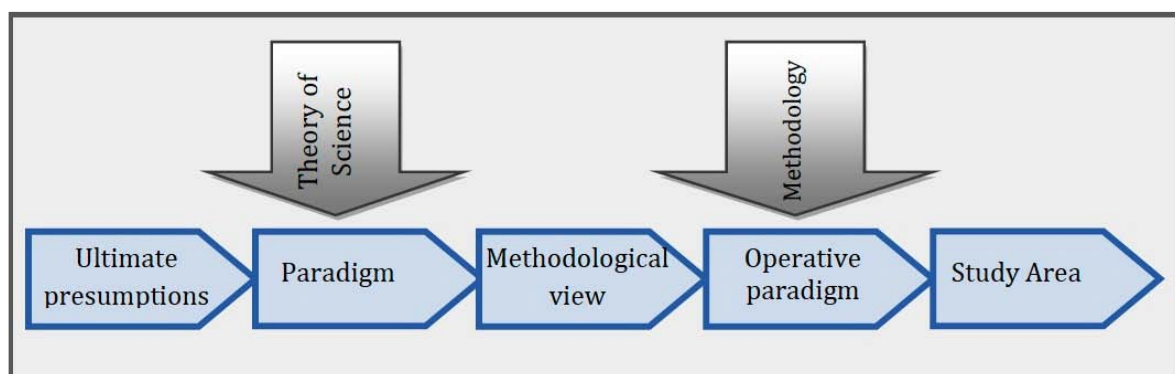
Figure 2 : *Methodological Framework (Arbnor and Bjerke, 2009, p. 17)*

As shown in the *Figure 2*, "Theory of Science" contains "Ultimate presumptions", "Paradigm" and "Methodological View". Furthermore, "Methodology" contains "Methodological view", "Operative Paradigm" and "Study Area". The "Methodological View" thereby combines "Theory of Science" with "Methodology", and the "Methodological View" is attached to the project's problem area (Arbnor and Bjerke, 2009, p. 15).

The "Study Area" is presented under the introduction of the project. The placement of the study area will not respect the above figure due to aesthetical reasons and better reader understanding considerations.

1.   Ultimate Presumptions

Ultimate presumptions or epistemology and ontology as other authors (Bryman and Bell, 2007; Burrell and Morgan, 1979) call them, are the philosophical thoughts, which are affected by one's education, culture, personal believes and social background. The ultimate presumptions are therefore a picture of the investigator's interpretation of reality. It is therefore, impossible that these interpretations will not have an effect on the choice of methodological view. (Arbnor and Bjerke, 2009, p. 12-13)

The investigator's ultimate presumptions are based on the fact that the world is seen through different elements. These elements can be explained through the relations they have to each other and therefore they are linked together. The investigator sees the country of origin image as being one element among other elements that are involved in consumers' product perception which can be influenced by many factors. The reality is seen like a dynamic system with elements that are connected and influence each other.

2.   Paradigm

When explaining the paradigms, Arbnor and Bjerke (2009) relate them to three methodological approaches that deal with different observations of reality: "Analytical View", "Systems View" and "Actors View".
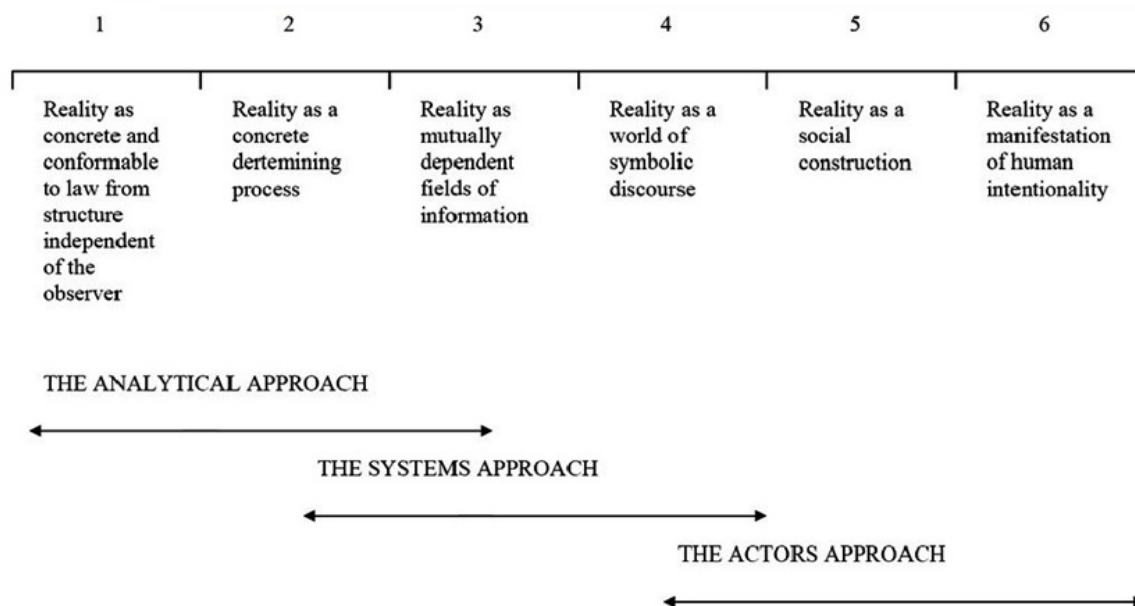
Figure 3 : *Paradigms according to Arbnor and Bjerke (2009)*

When analyzing the theory in order to build a theoretical framework for the empirical analysis and also when the data is collected, the reality is seen as a concrete process with elements that are mutually dependent. Different theories and models will be objectively treated and reflected upon from different angles in order to come up with the best guideline for conducting the empirical research.

Burrell and Morgan (1979) on the other hand classify the paradigms into: "Radical Humanist", "Radical Structuralist", "Interpretive" and "Functionalist".

The Sociology of Radical Change

Radical humanist	Radical Structuralist
Interpretive	Functionalist

(Subjective — left axis, Objective — right axis)

The Sociology of Regulation

Figure 4 : Paradigms according to Burrell and Morgan (1979)

Taking into consideration this last classification of paradigms, the investigator identifies his research closer to the functionalist paradigm because its objective view, the reality being considered concrete where order and regulations can be identified. (See VIII.2 Appendix 2 for details about the rest of the paradigms)

3.   Methodological View

As mentioned earlier, according to Arbnor and Bjerke, three overall methodological views exist: the analytical view, the systems view and the actors view. Based on the underlying presumptions and the chosen par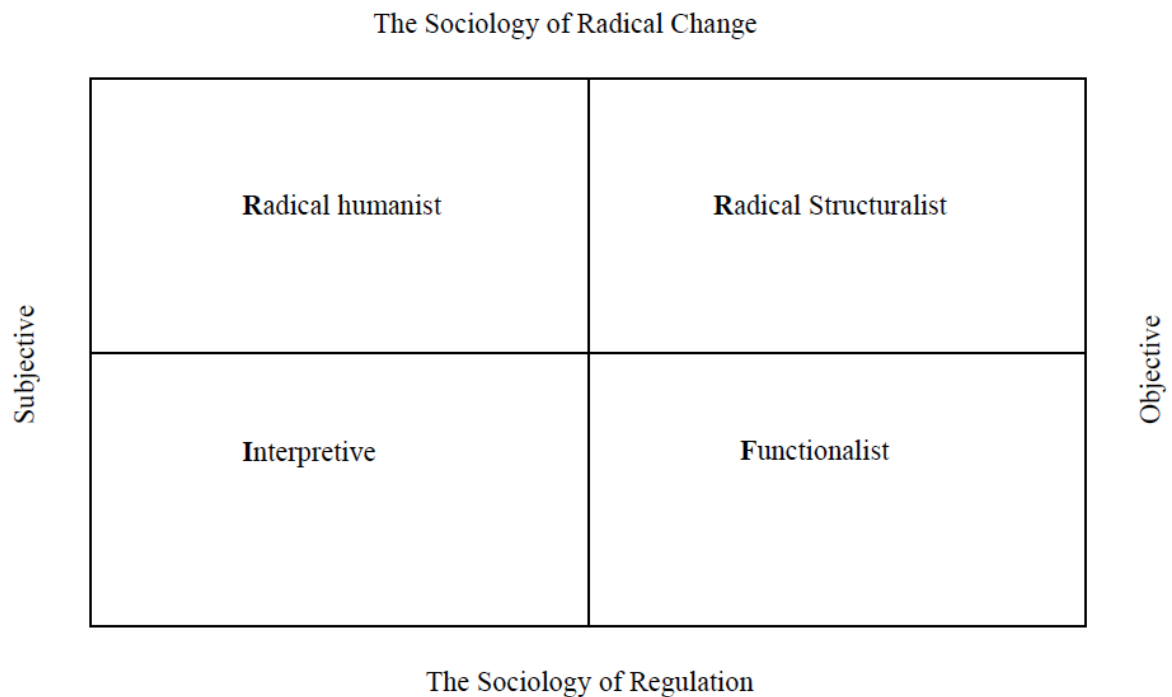adigm for this particular problem, the appropriate methodological approach for solving the problem formulation will be the Systems View.
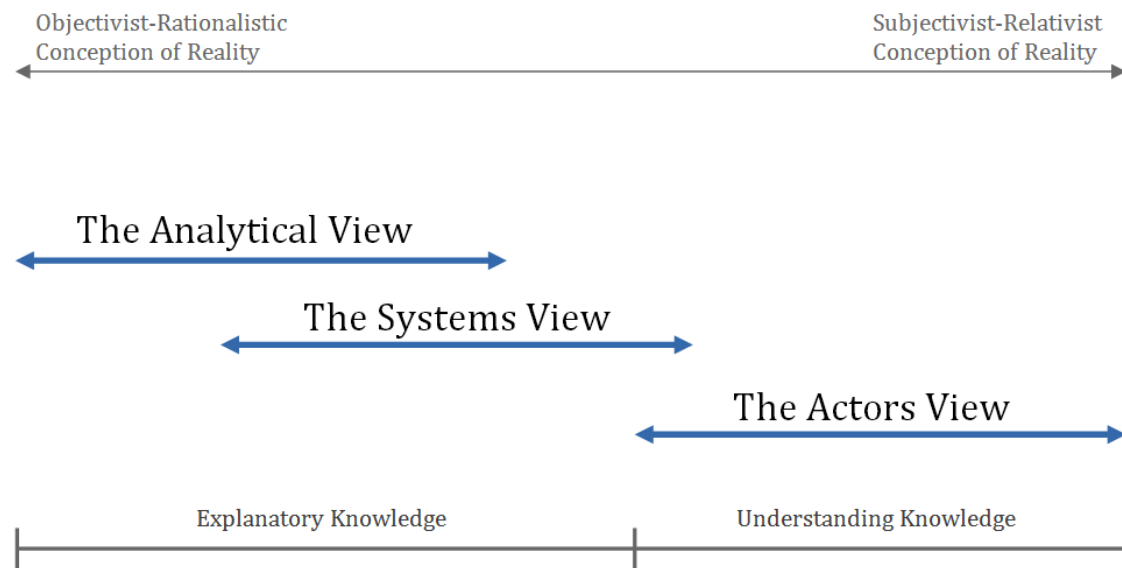
Figure 5 : Methodological Approaches according to Arbnor and Bjerke (2009)

3.1   Conception of Reality

The reasoning of choosing as methodological view the "Systems View" is based on the fact that this project focuses on the link between the companies, countries and consumers; because the relations between those parts are of high interest and relevance. The fundamental belief is that the whole consists of parts, and that those parts sum up to more than the whole, why the systems view is the chosen methodological view being incorporated in this project.

A system is, according to Arbnor and Bjerke:*"a set of components and the relations among them"* (Arbnor and Bjerke, 2009, p. 111). This definition focuses on the fact that the system does not solely consists of isolated elements, but that the relationship between these elements is essential for the system and its function. The isolated elements of the system will unavoidably interact with each other, which mean that it is

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not possible to obtain complete understanding of the system, if only isolated elements are studied (Arbnor and Bjerke, 2009, p. 112). This is due to the fact that the system is not of summative character, as the relationship between the isolated elements can create synergy of either positive or negative character. Arbnor and Bjerke express this in the following way:"*The whole is more (or is less) than the sum of its parts*" (Arbnor and Bjerke, 2009, p. 65).

In accordance with the before mentioned ultimate presumptions of the investigators, the system is seen as open, as the system is studied in the context of the environment. Furthermore, changes affecting some parts of the system will affect the remaining parts, stating that all subsystems within the system will affect each other and also the above system (Arbnor and Bjerke, 2009, p. 65).

The systems view is seen as a suitable way to describe reality and thus also the concrete problem area. Thereby, not being said that reality truly consists of systems, but the systems approach enables the investigators to describe the present problem. The systems view will therefore take a pragmatic character.

The scientific ideal related to the systems view states that through deeper insight into the single elements of the system, it is possible to create new and better systems (Gammelgaard, 2008, slide 10). On the basis of this insight there will emerge an increased understanding of the system in focus. The content and the level of detail of the systems will be defined individually by the investigator (Arbnor and Bjerke, 2009, p. 112-115). This level of detail determines how narrowly the systems are defined. Thereby, it is clear that the content of the systems depends on the focus applied by the user of the systems view and furthermore, it depends on the current problem being solved.

The problem formulation can be solved by regarding the world as consisting of parts within the system. In concrete relation to the problem field country of origin image is viewed as a part of the system called "Product" among other parts (other variables like brand name, price etc). Of course the parts can be viewed in detail. On the other hand the consumers are viewed as a system containing parts which more detailed could be consumers' behaviour, demographics, consumers' reference groups and culture; decision making process etc.. These systems are illustrated in the below figure in order to simplify the investigator's way of thinking the methodological view into practical use for solving the problem formulation. At a higher level of abstraction both systems are

part of a larger system called "Romania" which is the background system whose characteristics and influences on the other subsystems that will be analyzed.
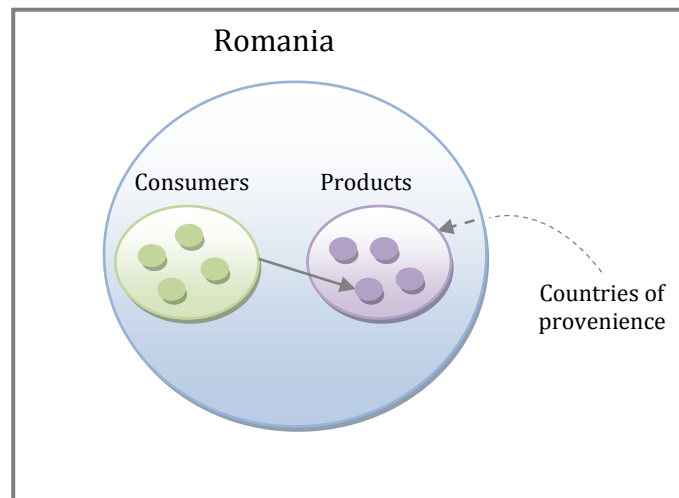

Figure 6 *: Conception of Reality (own creation inspired by the Arbnor's and Bjearke's Systems Approach, 2009)*

As seen in *Figure 6* , a relation is made between the subsystem called "Consumers" and a part of the subsystem called "Products", the part in discussion being the country of origin image and the made-in country. To solve this problem it is necessary to take a deeper and more detailed look at both systems and their respective parts, as a system is more or less than the sum of its parts. It will not be possible to get an understanding of the problem if only a few parts are studied in isolation. The systems view opens up for the investigator to create new and better systems, which might be a useful tool in order to solve the problem formulation.

3.2   Conception of Science

Ones perception of knowledge can be very important in knowledge creation. A subjective view implies a dependency of the researcher of the perception and interactions of individuals. One the other hand, the objective view implies independency between researcher and individuals. (Arbnor and Bjerke, 2009, p. 27)

As expected, in the Systems view, the knowledge depends on the system. The individuals are explained as belonging to a system and characterized according to the systems characteristics and not analyzed isolated. In order to explain how consumers are influenced by the country of origin information in their decisional process many factors that influence their decision are taking into consideration in order to find a

pattern and to explain the whole system of decision making process. The Systems View is also about understanding, but the understanding at the level of interpretation of the findings or understanding at the level of problem definition or at the level of theory and applicability to the system characteristics.

3.3   Scientific Ideals

The way of creating knowledge, the level of ambition and the impartiality are the main focus of this assumption. From the objective point of view knowledge is gathered through explanations and data is collected through questionnaires, statistics and closed interviews. As it will be seen later, the way of research adopted is objective; data will be gathered by using questionnaires.

3.4   Ethical and Aesthetical Aspects

The goal of the investigation, the way of defining the problem, the way of dealing with the data might be influenced by the ethical considerations of the researcher. (Arbnor and Bjerke, 2009, p. 16)

The investigator tries to not let his subjectivity bias the data, this will be done by using impersonal techniques, by using codes and the presentation of data will be done through tables and charts. In this way the explanation of the findings will be clear and objective.

3.5   Conclusion

The investigator's choice of methodological approach reflects the way data are collected and used further in the project, but also reflects the investigator's perception of reality of the way knowledge is created.

Choosing the right approach depends on how creation of knowledge is perceived, namely the differentiation between explanatory and understanding creation of knowledge but also based upon the influence from the environment.

The investigator believes that knowledge is a reconstruction of information seen in contexts and the "Systems Approach" is the one that share this belief. Using the "System Approach", both explanation and understanding will be used to answer the formulated problem. Through methodology theories will be comprehended, data will be gathered, explained and understood through interpretation and experience.

4.   Operative Paradigm

The purpose of an operative paradigm is to create a fit between the ultimate presumptions regarding the methodological view and the nature of the study area. The operative paradigm consists of two elements being methodological procedures and methodic.

4.1   Methodological procedures

A methodological procedure refers to the way an investigator incorporates, develops, or modifies some previous given technique in a methodological view (Arbnor and Bjerke, 2009, p. 17 + 174).

According to the methodological procedure, all models and theories in the project and the research methods are being applied in accordance to the systems approach.

4.1.1 Research Design

In order to conducts the research, the investigator decided to use as a framework the Neuman's (2006) suggestion for designing a research. Next in this chapter each step from the process of conduction a research will be discussed according to this study.
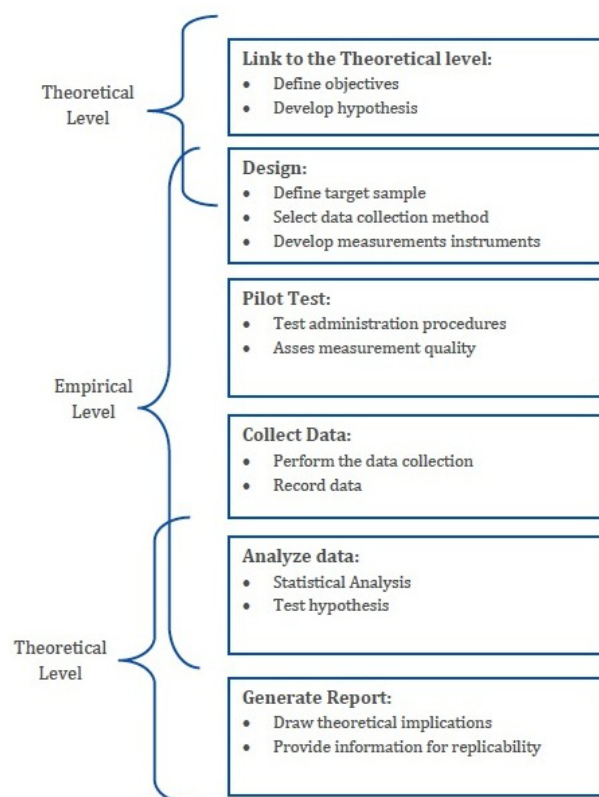

Figure 7 : *Research Design (adapted from Neuman, 2006, p. 277)*

4.1.1.1 Link to the Theoretical Level

This part points out the importance of starting with the research question and theoretical considerations. As presented previously, a deductive approach will be taken in this study, theory and past research were taken into consideration in order to come up with hypothesis that need to be tested.

 a) Defining objectives

The objectives of this study were presented in the chapter I.3 "Problem Field" in the form of questions to be answered:

"What is the impact of multiple countries of origin image on the consumer perception concerning hybrid products in an emerging market setting?"

> *"Is there any difference between the importance of country of origin information (associated country) and the manufacturing country information in the consumers' decisional process?"*

With the purpose of successfully answering these questions theories and models were discussed (See I.3 Problem Field) from where objectives for the empirical research can be defined as following:

- Relation between country perception and brand perception

- Consumers' purchasing decisional process and their perception of risk for hybrid products that they are not familiar with

- Importance of country of origin in the case of Hybrid products

First, the investigator's aim is to see if consumers actually have an image created in their mind about the countries' capability of producing a certain product category point of view and also how they perceive certain brands. Another issue that it was found important to research is if consumers actually associate country images with brand images in order to see if country image and brand image fit together and are influenced reciprocal. The consumers' decisional process is the element that was most stressed by the investigator because it makes the connection between perception and behaviour and it was considered of high importance to study how perception is digested through the decisional process for being converted in behaviour. In addition to this the risk perception was considered important to be combined with all the images and perceptions previously discussed because the amount of risk that a country or product pose is definitely reflected in buying behaviour. And last, the goal is to see if the country image is actually reflected in the outcome of the decisional process. (See *Figure 8*)
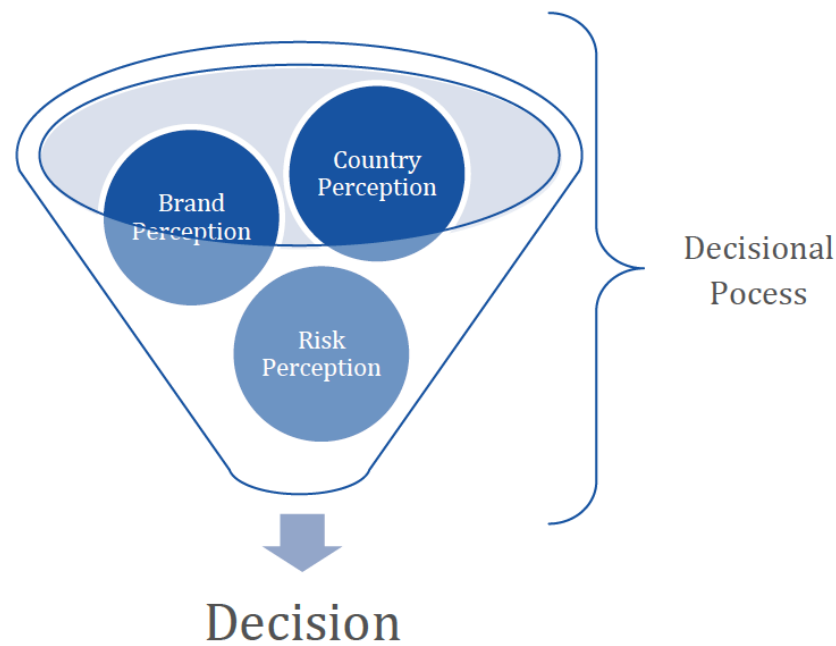
Figure 8 *: Formation of objectives (own creation)*

b) Developing hypothesis

Consulting the theory and past research in the area (See chapter III "Theoretical Considerations" and chapter I.1 "Past Literature Review") it was possible to build up some hypothesis. The investigator considered that the hypothesis should be according to objectives and to the indentified problem; in this case the hypothesis were defined as it can be seen in the following table (See *Table 1*).

Ob.1: Relation between country perception and brand perception;	H1: *Consumers form their image concerning countries manufacturing capabilities based on the country development and brands originated in that country;*
Ob.2: Consumers' purchasing decisional process and their perception of risk for hybrid products that they are not familiar with;	H2: *Unfamiliar hybrid products (high involvement) are perceived as posing risk; in this case a low price will decrease the perception of risk and increase the willing to buy;*
Ob.3: Importance of country of origin in the case of Hybrid products	H3: *Countries of origin influence product perception and purchase intentions ;*

Table 1: *Definition of Objectives and hypothesis*

4.1.1.2   Design

The second step in the research design consists of the actual design of the method and instrument. First the data collection method is selected, and then the instrument to gather data is chosen by selecting the one that best fits. After all this being set the actual instrument is designed taking into consideration the objectives that were formulated which actually give direction to the investigator. Furthermore the sample is discussed.

a) Selecting Data Collection Method

The investigators choice regarding collection method is quantitative. Bellow the quantitative method is compared with the qualitative method from taking into consideration the most important elements that differentiate them (See *Table 2*).

Quantitative	Qualitative
Test hypothesis that the researcher begins with;	Captures meaning ones the researcher gets involved in the data;
Concept are in the form of distinct variables;	Concepts are in the form of themes, generalisations;
Way of measuring is created before data collection – standardization;	Measurements are done in a ad-hoc manner – are specific to the individual;
Data in form of numbers;	Data in form of words and images from transcripts;
Procedures are standardised and replication is assumed.	Researcher procedures are particular and replication is very difficult;

Table 2 : Qualitative and Qualitative data collection (Neuman, 2000, p. 123)

The analysis of the quantitative has three main characteristics:

    - *Description* – the kind of data that can be collected and the information that the data brings.

    - *Categorization* – The possibility to categorize, reduce big amounts of collected information in order to make it more manageable and to get a better overview of the findings.

    - *Combination* – data interpretation and search of hidden relationships between different kinds of information

The choice of performing a quantitative research is in accordance with investigators' methodological approach and conception of reality and science, with his vision of treating the indentified problem and successful solving it (See chapter II.C.3 "Methodological View").

b) Developing measurement instruments

As explained in the previous section, qualitative research is the collection of data in forms of numbers. This type of research can be conducted in various ways with the help of quantitative instruments; moreover the most popular ones will be presented in order to choose the most suitable.

Observations	Method that refers to the observation of the individual in terms of a schedule of categories. It needs explicit rules concerning the observation process and the recording of information.
Experiments	It involves a relatively small number of individual that are addressed a focused question.
Survey	Method that collects data by asking questions to the individuals. There are self-completion questionnaires and structured interviews.
Content Analysis	An approach that refers to the analysis of documents and text in order to quantify content in a systematic and replicable manner.
Secondary Analysis	Analysis of data that already exist, that was collected previously or any form of data.

Table 3 : *Quantitative measurement instruments (Bryman, 2008)*

Conform to the presentation above a decision regarding the method of collecting data was made. The use of self-completion questionnaire it was decided base on the fact that makes possible the gathering of information from a big number of individuals. The web is considered to be used because collection of data in possible in big quantities and fast. It reduces the work because data is already in the computer and is no need to introduce it manually and can be done by a single researcher. The most important advantage that this method has besides reaching a big number of individuals is the reduced cost. The web that will be used is www.surveymonkey.com.
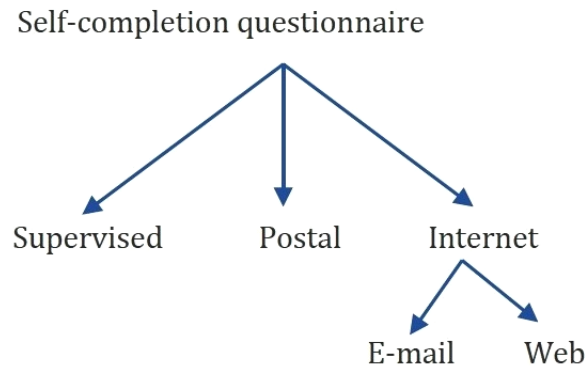
Self-completion questionnaire

Figure 9 : *Modes of administration of a self-completion questionnaire (Bryman, 2000, p. 167)*

Of course that using this method has its disadvantages, the fact the researcher cannot control the condition under which the questionnaire is filled in and also puts limit to the type of questions that can be asked. However is hard to control individuals degree of concentration and seriousness when they are ask to fill in the questionnaire and nowadays the professional websites that are used as tools for creating and analyzing questionnaires are making possible the use of more and more type of questions. (Bryman, 2008, p. 184-185)

When creating questions there are general rules to take in consideration, like taking into consideration the research objectives and hypothesis, to avoid ambiguous terms, to avoid long and unclear questions, avoid technical terms. In this questionnaire is hard not to use technical terms since the product is a technical one and the buying behaviour related to the product is analyzed.

For the questionnaire to be according to the objectives and hypothesis there will be for question categories.
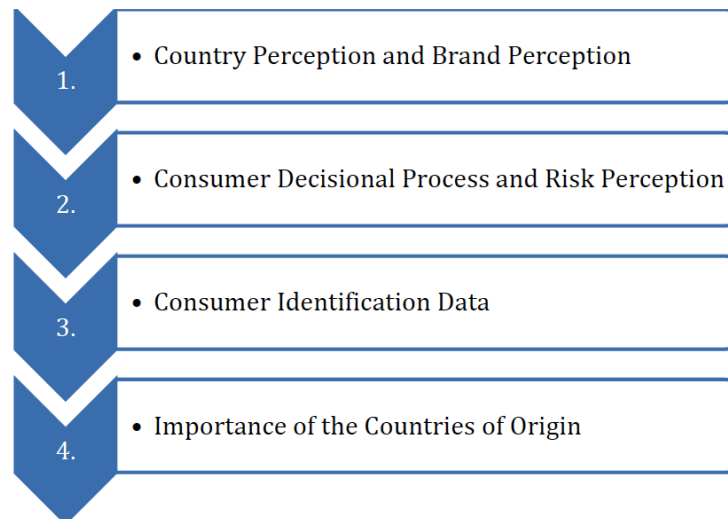
Figure 10 : *Question categories in the questionnaire*

Every research objective represents a question category. An extra category was added, is the category that refers to identification questions, data about the individual that fills in the questionnaire.

- Country Perception and Brand Perception

For this category three closed questions were defined. All the three questions were matrix of choices type of questions (only one answer per row) were the respondents were asked to grade countries and brands from 1 to 7 based on how they perceive them from the laptop manufacturing point of view. The last question was matrix of choice (only one answer per row) were the respondents were asked to pair brands with countries that they consider the brands being originated from. After this the investigator will be able to see if respondents rank countries based on the level of development of the country or based on the knowledge of brands that are originated in that certain country. (See VIII.3 Appendix 3 for details)

- Consumer Decisional Process and Risk Perception

The second part of the questionnaire starts with a an image, a commercial for a laptop presenting all information about the laptop features, price and country of assembly, country of design and country of component parts (See VIII.5 Appendix 5). The following four questions are related with the respondents' perception of the product from the image. The first one is a closed question, the matrix of choice type of question (only one answer per row) where the respondents are asked to give grades from 1 to 7

to the product from image according to certain aspects (See VIII.3 Appendix 3). The second is the same type of question like the previous but the respondents are asked to give grades as a result of the product comparison with other brands. The last two questions from this part are multiple choice kinds of questions (only one answer) and refer to the price that respondents are willing to pay for the advertised product according to their income but also if their income will grow with a certain amount. (See VIII.3 Appendix 3)

The purpose behind these questions is to see how the respondents will evaluate an unfamiliar product compared with well known brands, also their opinion concerning the price is asked, the investigator wishes to see if the willing to buy for this kind of products (high involvement hybrid products) depends on one's income or not.

- Consumer Identification Data

Due to the limited number of question possible to ask available on the basic plan (which is free of charge) on the website used to create the questionnaire, the identification data questions were merged into one single question, a matrix of choices question, the drop down menu type (See VIII.3 Appendix 3). Information regarding gender, age, studies and financial income were asked. The last information, about financial income will help to interpret the two previous questions that were just presented above. However it should be taken into consideration that below a certain age the respondents might be supported financial by parents and the declaration of the income might to reflect their possibility of spending money.

- Importance of the countries of origin

Due to the same reasons that were discussed earlier, in this section three questions will be merged in one, a matrix of choices - the drop down menus type. The respondents will be asked to answer questions about the country of assembly, country of design and country of component parts that were written in the commercial that they have seen in the second section of the questionnaire. The reason for asking these questions is to see how important is this information in product evaluation and specifically in the evaluation of an unfamiliar hybrid product. (See VIII.3 Appendix 3)

As it can be clearly seen, in the questionnaire were used closed questions. The reason for including closed questions is because it makes easier the processing of information

and analysis of big amount of data; it also makes easier the comparison between answers. It is an objective way of gathering data because the researcher does not have to be involved that much in the interpretation of the answers. One important advantage that close questions offer is the fact that the availability of answers from where to choose help clarifies the questions in situations where the question is not clear enough. The closed question are facilitating also the answering process for the respondents, they being more willing to chose quickly between available answers than thinking about what to answer. The biggest disadvantage of closed questions is that respondents might come up with important information that is not covered by the fixed answers but the purpose of the questionnaire is not to find extra information but to test information that is already known by the investigator. Other disadvantages that the investigator is aware of are: the fact that respondents might misinterpret the questions or the available answers and the resulted information invalid or the available answers not being complete and respondents not being able to find the desired answer. (Bryman, 2008, p. 235-237)

c) Defining Target Sample

The sample to be used in the research is constrained by many elements.

- The decision to study the behaviour of the consumers from low developed countries reduce the population size at the number of the citizens in Romania, the low developed country that the investigator decided place the research.

- The fact that the study involves hybrid products restrains the population size because. Hybrid products are usually high involvement products because of the difficulty to be manufactured in one place, these are more complex products. The decision of the product used in the research is influencing the sample. In this research the investigator chose to use as a hybrid product "the laptop", this making as a condition the fact that the respondents must be laptop users and must have basic technical knowledge about the characteristics.

- The fact that the questionnaire will be distributed online also implies that the consumers are internet users.

Having these conditions in mind the investigator pursued to chose the type of sampling that best suits. The attention fell on the "Snowball sampling" which is a non-probability sample type that implies the choice of a small group of people who are relevant for the

research and asked to fill in the questionnaire and after to pass it to others. The main reason to stop upon this type of sampling is the problematic circumstances of the population, where is hard to reach laptop users from Romania. On the other hand this offers to the investigator the possibility to reflect upon the individuals' relationships which are considered important for the chosen topic due to the "Group Reference" and "Culture" implications in the "Country of Origin Concept".

(3) Pilot Testing

The questionnaire was created in Romanian (mother language of the investigator), the English version being use only to explain the question to the readers of the study and no official translator was used for the translation, the Romanian questionnaire can be seen at in chapter VIII.4 Appendix 4.

The investigator tested the Romania version of the questionnaire on five persons and feedback was asked after that. As a result of the pilot test small changes of the questions were made after that in order improve the adequacy of instructions to respondents.

(4) Data Collection

The questionnaire is sent to respondents by sending the link at the webpage with the questionnaire and they are asked to answer to fill in the questionnaire and afterword to pass it to others and to give them the same message.

(5) Data Analysis

The questionnaire was sent to the respondents through the mail, by giving them the link to the questionnaires' web page. The response rate was 60.4 % (250 questionnaires sent/ 151 questionnaires received). The data will be analyzed with the help of the computer software called SPSS (for windows). In order to perform the analysis the answers (variables) were coded and classified according with the three types of variables available in SPSS, scale, ordinal and nominal. There were called scale, variables referring to a certain grade that was given to a brand or to a country, ordinal the ones referring to consumers' paying disposal and nominal the ones regarding gender or education. A DVD was attached to the project for a detailed view of the variables coding and choice of the category types. Furthermore relevant answers that give information about each hypothesis will be analyzed in order to give an answer if they are accepted or rejected and the reason why will be also given. The analysis

performed in SPSS were descriptive analysis and frequencies analyses, the results of the analyses were introduced in the Excel programme and combined as the investigator found suitable for giving a clear answer as possible.

(6) Report Generation

The report generation or conclusions will be presented according with the problem formulation and the objectives formed for making sure that the questions are successfully answered. The conclusion will be drawn based on the data analysis, the results of the hypothesis check and the theory that was previously studied in order to come up with a framework to be test in the empirical part. The conclusion will represent the connection between all these parts together and the outcome for the problem formulation.

4.1.2 Research Criteria

In this chapter the most important criteria for social research will be discussed with relation to the method of data collection.

Reliability – refers to the results' repeatability, if the measure is consistent (Bryman, 2008, p. 31). Bryman identified three different meanings of this term.

- Stability which refers to the correlation of data gathered at a certain moment with the data gathered after a period of time. In this study is hard to say is the respondents' answers at this point will be similar with the answers after a certain period of time due to cultural changes, events that might change respondents' perception and the like.

- Internal reliability is about the consistency of the scales used in the research (questionnaire); it measures whatever several items that propose to measure the same general construct, produce similar scores (Bryman, 2008, p. 150). The investigator asked the respondents to evaluate the a product by giving it grades according to different parameters, the parameters depending one on each other for example if a respondent evaluate the product as being bad or unfavourable he cannot score high the when evaluating his willing to buy it or the like. With the help of the software programme SPSS an internal reliability test of the questionnaire was performed. According to "Cronbach's alpha" internal reliability test, the questionnaire scored 0.847 which is a satisfactory result (See VIII.6 Appendix 6).

Validity – is concerned with the integrity of the conclusions that are generated from the research (Bryman, 2008, p. 32). There are many types of validity:

- Measurement validity has to do with the question if measurements do reflect the concepts that are supposed to measure. The investigator of this study argues that the hypothesis that were tested were deduced from theories that were found relevant for the concept, however the theory and the deduction might be misguided and this might be reflected in the findings and their interpretation.

- Internal validity refers to the confidence into the research causal inferences (Bryman, 2008, p. 32). The investigator aim in this research was not only to make observations and to describe certain concept but also to find correlation and dependencies between elements that as he believes form a whole system and work together. The interpretation of the findings was done by testing dependencies and importance of different elements. Based on this, is hard to say if the interpretation of the findings is valid, if the investigators perspective didn't influence that. An argument that stands for the internal validity of the findings is that the relations between elements weren't observed by the investigator himself, were observed by others or were inferred from theory and in this study those observations were tested and reflected upon.

- External validity concerns the possibility of generalization of the findings beyond the specific research context (Bryman, 2008, p. 33). The representative sample is restricting the generalization of the findings on Romanians with ages between 18 and 30 years that are still students or have graduated from university. Besides that the findings are relevant for hybrid products where the consumers are dealing with more than one country of origin.

- Ecological validity it refers to the fact that findings might have technical validity but might not be relevant for people's everyday life (Bryman, 2008, p. 33). The investigator admits that is hard to compare the decisional process of a respondent concerning a product when he is not really in the situation of purchasing that product, there might be factors that might influence them at that very moment. In order to consider the findings ecologically valid other methods might be necessary, like observations or interview with the sales persons or with the consumers but immediately after the purchasing.

4.1.3 Project Design

This chapter provides a brief explanation of the structure of the project and the flow of the content in each section of the project as it moves forward towards solving the problem statement of the project (See *Figure 21*).

The investigator sees the project in the form of two main processes. The first process has as objective the finding of gaps and problem statement. It starts by getting the reader introduced with the topic of the project which is further developed through discussions of past research in the area.   The past research discussion ends with the identification of gaps that can be considered an input for the "Problem Formulation" chapter. The problem is formulated not only according to past research but also according to real observations and research possibilities. Methodology is link between the processes; it takes the problem formulation as an input and builds around guidelines for successfully getting to an answer. After writing the "know-how" of the project the attention is moved to the solution conception which is also seen as a process. Theories that best suit and clarifies ambiguities concerning the indentified problem are looked from different perspectives and critically considered for building a framework that shapes a solution proposal.
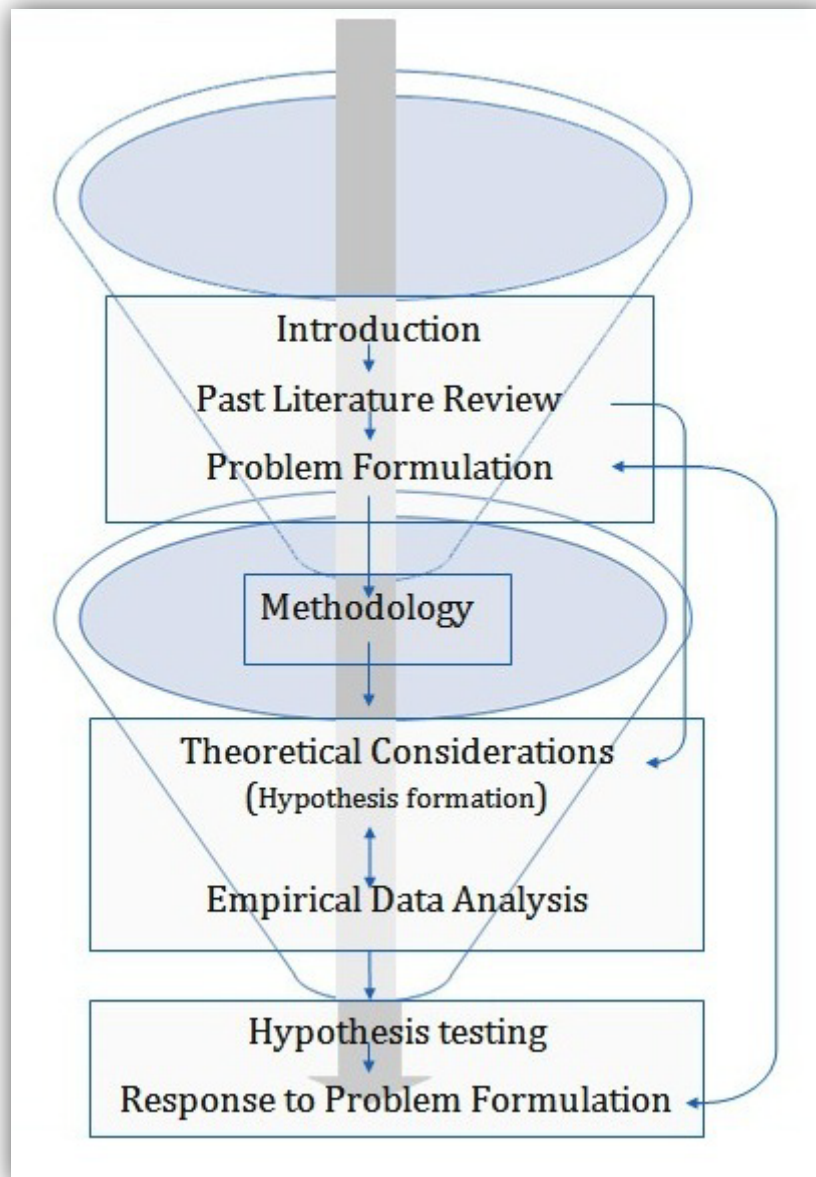
Figure 11 *: Project Design*

As showed in the picture, in literature review, are taken into consideration also past research papers that help at the creation of objective for the empirical part and also at the creation of hypothesis. The outcome of the overall process is the testing of hypothesis and the meeting of objectives which represent the answer to the problem formulation.

III. Theoretical Considerations

In this chapter are discussed and reflected on the theories and models that the investigator found suitable for bringing knowledge into the creation of a solution for the formulated problem. First the investigator tries to familiarise the reader with the most important concepts that are used in the study that the problem is approached from general to specific. The cultural background of the consumers is discussed, than the formation and implication of the stereotypes are considered; equal important are considered the groups of reference that the consumers rely on and chose as an example. More deeply the attitude formation with respect to the country of origin is considered along with the decisional process, the theory being moved from the general context of culture to the actual situation of purchase decision, all regarded from the country of origin point of view.

A. Key concepts

It was considered necessary to start the chapter by presenting the concepts that will be discussed along the entire theoretical chapter. The following will present the signification of the concepts: brand image and country image, country of origin and made-in country and last hybrid products. The purpose of this is to make sure that the reader understands the principal concepts that will be used in the project.

1. Brand and Country Image

*"**Image** is the set of beliefs, ideas and impressions that a person holds regarding an object"*, (Kotler, 1997, p. 607). Discussing the definition, Jaffe and Nebenzahl argues that the subjective perception of a person about an object influences the image. The *"beliefs, ideas and impressions"* can be congruent with the objective attributes of the object or not, also the object cannot exist at all (Jaffe and Nebenzahl, 2001, p. 12).

*"**Brand** is a name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition"* (Kotler and Gertner, 2002, p. 249).

According to Kotler and Gertner, brand is associated with the product value; it represents a promise of value. However, brands can add or subtract value to products depending on how consumers perceive the brand. (Kotler and Gertner, 2002, p. 249)

In some cases countries use its name to promote its products. Even if countries do not manage its name as a brand consciously, their image influences people's decisions.

*"**Country image** is the sum of beliefs people hold about a place. The image represents a simplification of a large number of associations and pieces of information connected with a place. They are a product of mind trying to pick out essential information from huge amounts of data about a place."* (Kotler and Gertner, 2002, p. 251)

Consumers use country images as shortcuts for processing the information, consumers prefer to adjust what they see to fit what they know. Consumers avoid the effort needed to reconstruct their interpretations unless misinterpretations have a cost for them. Therefore, images can be long-lasting and difficult to change. (Kotler and Gertner, 2002, p. 251)

2.   Country of origin and made-in country

As presented by Jaffe and Nebenzahl (2001), the brand name gives to a consumer cues about the products itself but also about the country associated with the brand, its *country of origin* regardless of where the product is manufactured. (Jaffe and Nebenzahl, 2001, p. 53)

On the other hand *made-in country* referrers specifically to the ability of a country as a manufacturer, regardless of which is the country associated with the brand name. It should be mentioned that made-in label implies the fact that the production takes place in one country, the sourcing of parts country, designed in country and assembly country being ignored. (Jaffe and Nebenzahl, 2001, p. 27)

3.   Hybrid products

Hybrid products are composed of components sourced in multiple countries. These products are considered problematic for consumer product evaluation because they might not be aware of the complexity of the manufacturer. (Jaffe and Nebenzahl, 2001, p. 99-100)

Studies concerning hybrid products show that country image is decomposed in this case. The country of assembly or country of design are considered cues for product quality and in some cases a poorly country of assembly perception can be compensated by a positive country of design or the other way around. (Jaffe and Nebenzahl, 2001, p. 104)

B.   Culture

Considering culture important in image formation and in attitudinal shaping, the investigator will analyze the importance of culture in rapport with country of origin, it will be defined what is understood through culture and which are the characteristics that are important for understanding how country of origin image is formed and how can be changed over time. For the same reason there is a need to consider stereotyping culture as well.

1.   Defining Culture

When defining culture there are two main ways that are discussed by different authors, objective and subjective. The objective way defines culture as the totality of cultural institutions and cultural events and actions of a society, such as literature, music, art etc. (Bennett, 1998, p. 3).

Subjective culture is the second way of defining and understanding culture, it explains culture as being composed by the psychological features that define a group and their everyday way of thinking and behaving (Alasuutari, 1995, p. 25).

In few words, objective culture refers to people's interests and hobbies while subjective culture expresses the people's general attitudes and beliefs. Although the definitions are different a correlation can be made between them because people do form their attitude and behaviour through cultural institutions and cultural actions.
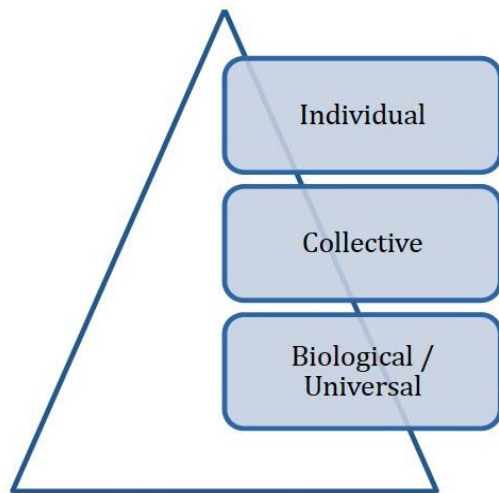
Hofstede (1984) explains culture as *"the collective programming of the mind which distinguishes the members of one human group from another"* (Hofstede, 1984, p. 21). He states that a person goes through three levels of mental programming when acquiring a culture: biological, collective and individual (See *Figure 12*).

Figure 12 *: Human mental programming (Hofstede, 1984, p. 21)*

The biological or universal level is the less unique level and it is referring to peoples' common behaviour, like crying, laughing, eating and the like. The second level, the collective, includes the humans' actions and attitudes. The last level, called individual, is illustrating the idea that every two persons are different even if they are belonging to the same group or culture. (Hofstede, 1984, p. 15 - 16)

Hall (1981) supports the idea that every human being is different from another, he beliefs that understanding the differences within culture leads to cultural understanding (Hall, 1981, p. 14).

However, the main purpose is to understand how culture influences consumer behaviour. In this sense it can be said that Schiffman's et al. (2008) definition is more appropriate for the study: *"the sum of total learned beliefs, values and customs that serve to direct the consumer behaviour of members of a particular society".*

2. Culture Characteristics

According to Schiffman et al. (2008) the culture is dominated by several characteristics:

- Culture satisfies needs

- Culture is learned

- Culture is shared

- Culture is dynamic

Every culture provides customs or *"rules"* for different basic activities or behaviour, for example when to eat and what, how to dress suitable for an event, to drink caffeine or

not, and when (Schiffman et al., 2008, p. 369). This asserts that cultures' purpose is to satisfy the needs of the society. Culture offers *"order, direction and guidance in all phases of human problem-solving"* by providing solution to solve their physiological, personal and social needs. Taking into consideration the fact that the needs can change over time, it can be inferred that also the rules might change over time in order to adapt to the current needs and interest of the society (Schiffman et al., 2008, p. 369).

Culture is something that is learned, individuals are not born with it. Culture is acquired through: formal learning, informal learning and technical learning. The formal learning is the way that young members of a family are told how to behave; the informal learning is the way the children learn by imitating the parents or others; and the technical learning refers to school education. (Schiffman et al., 2008, p. 370)

Another characteristic of the culture is the fact that it is shared, in order to consider a particular belief, action or behaviour as being part of culture it must be shared by the majority of the society (Schiffman et al., 2008, p. 374).

2.1   Stereotyping Cultures

Of high importance when discussing culture and country of origin it was found to be the "stereotyping" concept, the human way of dealing with big amount of information and how the stereotypes formation have to do with ones culture and mentality.

The big amount of information that an individual is flooded with from the environment, leads to abstraction and generalization of the information, leaving apart the individual understanding and perception, (Jaffe and Nebenzahl, 2001, p. 14). Through abstraction individuals place objects into categories and through generalization the individual assigns to the object all the attributes of the whole category, in other words generalization means to create stereotypes (Jaffe and Nebenzahl, 2001, p. 14).

"Stereotyping arise when we act as if all members of a culture or group share the same characteristics. Stereotypes can be attached to any assumed indicator of group membership, such as race, ethnicity, age, or gender, as well as national culture" (Bennett, 1998, p. 6)

It happens that people make assumptions by generalizing different actions or beliefs of a number of individuals to the whole society or group, the individuality and the differences being ignored. Stereotyping can be both positive and negative. When a country has a certain image that brings benefits to the products of a particular company

from that country, the national image can be used in order to improve the product perception. On the other hand if the country of origin has a bad image that might influence negatively the product perception, the companies develop strategies to hide this, for example through the name of the product to make it sound French or the like. Nevertheless, no matter if the stereotype is positive or negative, it influences the way that impressions and information are perceived.

Mowen (1995) observes that people are often trying to confirm their stereotypes by pressing attention only to information that confirms their stereotypes and they ignore the information and the facts that prove the otherwise.

2.2 Insights and Conclusions

It can be definitely concluded that culture plays a role in the creation of a country of origin image for a product. Along the chapter it was clarified what is understood by culture and what knowledge is wanted to be accumulated by a deep analysis. The main purpose of studying this topic is to understand how culture influences consumer behaviour, this being the reason for accepting the Schiffmans' et al. (2008) definition of culture, that refers to culture as the totality of learned beliefs, values and customs that the consumers adopt as a member of a particular society (Schiffman et al., 2008, p. 368). By analyzing the cultures' characteristics, that culture is learned, shared, it satisfies needs and it is dynamic; some conclusions can be drawn. The first conclusion is that country of origin image can be a way of perception learned from other individuals that share with others their opinions and perceptions. Another conclusion is that country of origin image might be formed as response to a need for information when trying to evaluate a product. Also from the culture characteristics which argue that the culture is dynamic, it can be inferred that country of origin image can change over time.

Last issue discussed in the chapter is the stereotypes. From this part the following are being derived: a stereotype is the way that individuals chose to handle big amounts of information and it can have a positive or negative impact on a product country of origin perception.

The investigator does not fully agree with the observation made by Mowen (1995) that people are often trying to confirm their stereotypes by pressing attention only to information that confirms their stereotypes and they ignore the information that proves the otherwise observation; an argument for that can be the fact that stereotypes can

change over time, the same like the cultures is. However it is true that the changing process might be slow.

C.   Reference Groups

The ones that are used as referents by the consumers are considered important by the investigator due to the fact that those are the ones that the consumers listen, the ones that the consumers are asking for information and serve as a model for them; they are the ones that the consumers give credits to their opinions and perceptions. This chapter also reveals which are the situations when the reference group has an impact in consumers' opinions and the reasons behind. The relevance of this chapter is explained also by the investigator's beliefs that the reference groups make possible the transmission of stereotypes from one to another and the fact that individuals believe in stereotypes without testing them.

1.   Reference Group Clarifications

"*A reference group is any person or group that serve as a point of comparison or reference for an individual in forming either general or specific guide for behaviour*" (Schiffman et al., 2008, p. 316)
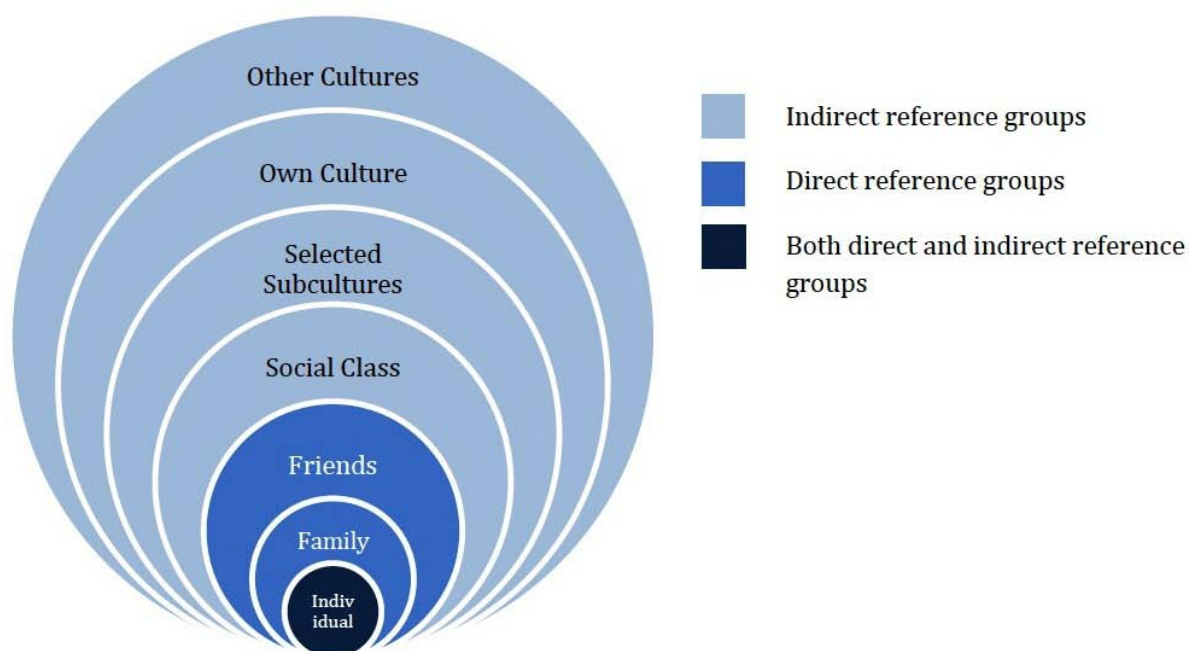
Figure 13 : Consumer's reference groups (Schiffman et al., 2008, p. 317)

The individuals use the people around them as referents. According to the image above (*Figure 13*), there are many types of referents. Individuals take as point of reference: different individuals (public personalities or even well-dressed persons on the street) to family members, friends, a social class, a profession, an ethnic group, a community, an age category (older or young consumers) or even a nation or culture. (Schiffman et al., 2008, p. 317)

All this are considered to have an impact on individuals', an impact on consumers' behaviour, beliefs, values or attitude.

In an attempt to classify the referents, they can be divided into direct and indirect referents, based on the relation that an individual has with those groups. For instance, family and friends can be considered direct reference groups due to the fact that an individual has direct contact with the family; the rest: social class, subcultures, own culture and other culture are considered indirect referents. It can be argued that an individual can be considered both direct and indirect referent. The individual can be a certain person that the consumer knows from face-to-face contact or a public personality. (Schiffman et al., 2008, p. 317)

The reference groups are used by individuals as being the picture that they aspire to be in the future (*aspirational groups*), the people that the individual associate himself with in the present (*associative groups*) and the groups that an individual compares himself with and sees the picture that he/she does not like to be (*dissociative groups*), (Evans et al., 2009, p. 243).

According to Park and Lessig (1977) reference groups can influence individuals in three ways: *information influence*, *utilitarian influence* and *value expression influence*. An individual is influenced informational when he/she seeks information and asks friends and family or makes an inference by watching peoples' behaviour. The second type of influence, named utilitarian influence, refers to the degree of conformity of an individual with the behaviour and norms of a group with which that individual identifies himself with. The last type of influence, value expressive influence is present in situations when the individual wants to improve his/her image inside the group or he/she aspires at belonging to a certain group and adopts its value perception, behaviour, life style according to it. (Park and Lessig, 1977, p. 102 - 110)

2.   Insights and Conclusions

This subchapter presented the reference group theory in order to have a better understanding of the consumers.

As discussed previously reference groups are influencing individuals when, for example they are lacking information regarding a product and they search for information at the ones that they consider trustworthy and knowledgeable, also when they are looking to better integrate in the group that they see themselves as belonging or they aspire to belong.

From this it also can be inferred that the image that individuals form about a products' country of or origin is not always a personal image but the image that was transferred to them through reference group perception. Social reference groups, such as family and friends, can be source of stereotypes. They might be passed down through jokes or comments.

D.   Consumer Segmentation

The attention of the investigator starts to concentrate more and more, from culture to the individual himself in order to understand the whole picture and the connection from different parts that shapes the whole.

In the following, various ways of segmentation will be presented and a short comparison between the described ways of segmentation will be made having in mind the country of origin aspect. The segmentations' purpose is to make a difference between consumers and their perception towards country of origin in order to find similarities and differences between them that might help understand the reason for certain behaviour.

1.   Geographical and Demographical Segmentation

The geographical segmentation divides the market into locations and search for the similarities that those individual share. Some marketers observed that there are differences between urban, suburban and rural population (Schiffman et al., 2008, p. 47).

The demographical type of segmentation refers at looking difference between persons based on some criteria. The most used are: age, gender, marital status, income, and education.

2.   Psychographic Segmentation

It is a type of segmentation that embraces the idea of personality and attitudes measurement of individuals by analyzing their activities interests and opinions. (Schiffman, 2008, p. 51)

"The approach is more concerned with trying to get beneath the skin of consumers and to be able to explain their behaviour in greater depth than the profiling approach that demographics can" (Evans et al., 2009, p. 190).

3.   Connection between Consumer Segmentation and Country of Origin Image

Jaffe and Nebenzahl (2001) were wondering if individuals can be segmented according to their images about products' countries of origin. In this sense they divided the consumers into four segments. These segments are: patriots, cosmopolitans, traitors and hostiles. (Jaffe and Nebenzahl, 2001, p. 71)

The patriots or the ethnocentric consumers are the ones that prefer to buy domestic products even if their image might not be the as good as the one of the imported products. They consider that buying only domestic products is morally justified. By doing so they consider that are supporting the home country economy. (Jaffe and Nebenzahl, 2001, p. 71 - 72)

The hostiles are not buying products from certain countries that they are considering as having a bad image, which behave badly in the international area. (Jaffe and Nebenzahl, 2001, p. 71)

Cosmopolitans are those that do not have a preference for either domestic or imported products. They take into consideration the products' attributes; they judge all the products on equal bias. They do not ignore country of origin, they consider it an attribute. (Jaffe and Nebenzahl, 2001, p. 71 - 72)

The traitors are the consumers that only prefer imported products against domestic products, (Jaffe and Nebenzahl, 2001, p. 71).

They suggested (Jaffe and Nebenzahl, 2001) that consumers can be segmented by two distinct concepts: the degree of ethnocentrism vs. othercentrism and the degree of animosity vs. affinity, (Jaffe and Nebenzahl, 2001, p. 84).

Attitude toward imports	Attitude toward a country		
	Animosity	Indifference	Affinity
Othercentrism	1 Conflict	2 Dominated by Othercentrism	3 Strong attraction to imports from the country
Cosmopolitanism	4 Dominated by Animosity	5 No emotional preference	6 Dominated by affinity
Ethnocentrism	7 Strong repulsion of imports from the country	8 Dominated by Ethnocentrism	9 Conflict

Table 4 : Consumer Segmentation based on their attitudes toward imports and toward countries (Jaffe and Nebenzahl, 2001, p. 84)

As it can be seen in the *Table 4*, the boxes disposed diagonally represent the same direction of each effect attitude: othercentrism, cosmopolitanism and ethnocentrism. Othercentrics prefer products from foreign countries and when they sympathise with a specific country there is a high probability that they will buy the product from that country. Ethnocentrics are the opposite of othercentrics; they present a feeling of animosity towards a specific product from a particular foreign country but also for all the imported products. The cosmopolitans have no specific feelings for that particular imported product, country of origin being just an attribute.

As the figure suggests, cosmopolitans may be influenced by their emotions toward a specific foreign country even if they do not prefer only imported products or only domestic ones, they are having animosity feelings or affinity feelings towards a country of origin.

On the other hand, some consumers have no particular feelings for a specific imported product but they are influenced by their attitude towards imported products. There are also consumers that are considered as having mixed feelings. For example a consumer might prefer imported products but he might have animosity feelings toward a specific product from a particular country or the opposite, a consumer might prefer domestic products but also might feel affinity toward a specific imported product.

4.   Insights and Conclusions

When dealing with the consumer segmentation, different ways of segmentation are available. In this chapter were presented, first the geographical and demographical segmentation, after this the psychographic segmentation and last were presented two way of segmentation proposed by Jaffe and Nebenzahl (2001) when dealing with country of origin image.

The first presented segmentation, geographical and demographical both help locating the market but lacks in describing it (Schiffman et al., 2008, p. 48).

These two types of segmentation raise the question if there is the best approach to segment a market taking into consideration that there can be found substantial differences among individuals having the same age, gender, occupation, education and that live in the same area.

However the presented ways of segmentation can be combined with a higher focus on the attitudes' way of segmentation for describing the consumers.

The psychographic segmentation concerns mostly the life-style, personality and attitude. The investigator finds it relevant for getting knowledge regarding what is the consumers' attitude to country of origin image.

Going further with the consumer attitude discussion, there were presented two methods of segmentation that were presented by Jaffe and Nebenzahl (2001). The first method divides the consumers into four segments: patriots, hostiles, cosmopolitans and traitors based on their attitude towards imported products. And the second method, segments the consumers based on two constructs consumers': ethnocentrism – cosmopolitanism - othercentrism and animosity – indifference - affinity for imported products.

The segmentation based on attitudes brings more knowledge than the geographical and demographical segmentation. The attitudinal segmentation is based on the assumption that the consumer response to country of origin image is not homogeneous, which is argued by Jaffe and Nebenzahl (2001).

E. Consumer Attitude

Considering that consumers cannot be regarded without being connected with their attitude when dealing with the understanding of the country of origin concept, in this chapter, theories that explain how attitudes toward countries of origin and brands are presented. The models are illustrating attitude formation in situations of unfamiliarity, situations when the consumers has a previous experience with a particular product and in situations when the consumer deals with a hybrid product and multiple countries of provenience. The purpose to analyze this model is to get knowledge concerning attitude formation and also to analyze the differences of attitude formation between the consumers that deal with cases of single country of origin products and multiple countries of origin products.

1. Halo Construct Model

The model presents the effect that country of origin has on brand image when there is no familiarity with the product from that particular country, (Jaffe and Nebenzahl, 2001, p. 42).

This model (See *Figure 15*) refers to situations when a person has no knowledge or experience with a certain products made in a certain country and argues that he/she will still have an image about the country of provenience of the product. The image is a reflection of his/her opinion about the people that live in that country, economical level. (Jaffe and Nebenzahl, 2001, p. 42)
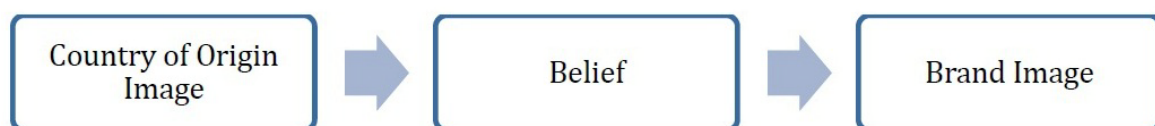
Figure 14 : Summary Construct Model (Jaffe and Nebenzahl, 2001, p. 42)

2. Summary Construct Model

Summary Construct Model (See *Figure 16*) suggests that an individual can be persuaded by other experiences with the product also by his/her experience with the country or knowledge about other products from that country. The products can be related or not

with the product in question, by generalizing those perceptions the individual can create an image about the new product. This is affecting directly the brand attitude. (Jaffe and Nebenzahl, 2001, 42 - 43)
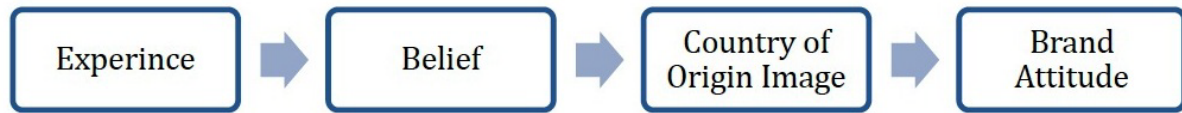
Figure 15 *: Summary Construct Model (Jaffe and Nebenzahl, 2001, p. 43)*

3. Combination of Halo and Summary Construct Models

Figure 17 presents a model that combines both Halo Construct Model and Summary Construct Model.

The model implies that the way of perceiving an image of a country might change over time; it might shift from halo to summary when more information is available. The model assumes that if an individual perceive different brands originated from a specific country as having the same attributes, that country image becomes a summary concept. (Jaffe and Nebenzahl, 2001, p. 45 - 47)
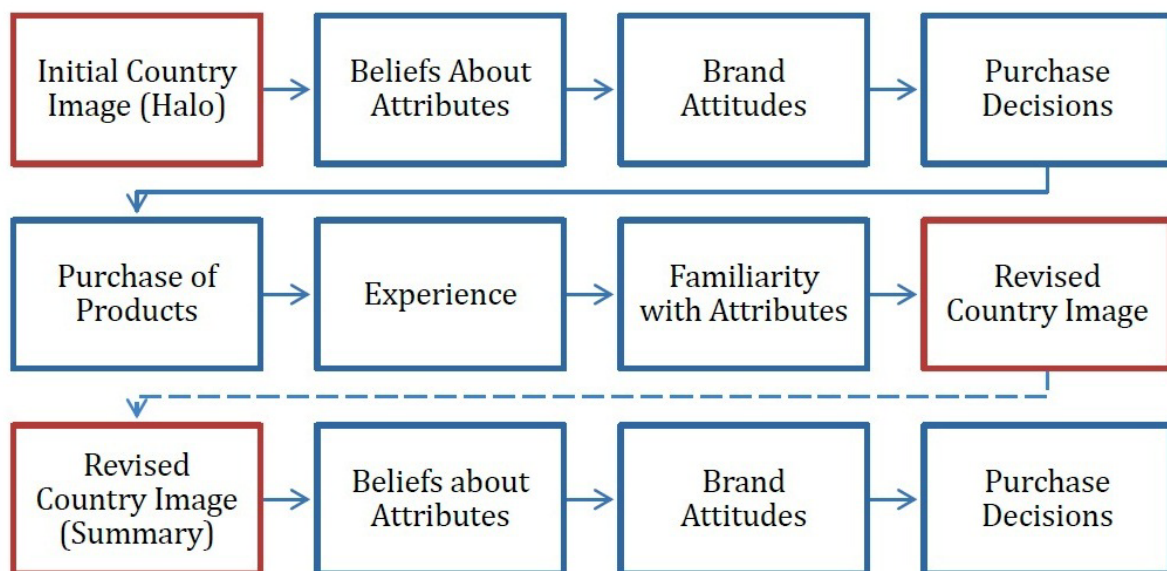
Figure 16 *: Combination of Halo Construct Model and Summary Construct Model of Country of Origin (Jaffe and Nebenzahl, 2001, p. 45)*

4.   Information Processing Model of Relative Product Image

The model illustrates the interactions of the elements that are involved in the attitude consumers' formation regarding products manufactured in a certain country.

The image presents a dynamic process where country and brand image work together in order to impact product choice, these image being revised by the consumer through his/her experience with the alternative product choices that were previously made. (Jaffe and Nebenzahl, 2001, p. 51)

The assumption that this model is based on, refers to the fact there are brand images country images and product images that affect the perception of product's attributes and that all the images are considered, when they are compared with other products, brands and countries. From this it can be inferred that any image improvement in relation to any of brand image, product image or country image conduce to depreciation of the concurrent products, brands or countries. (Jaffe and Nebenzahl, 2001, p. 52)
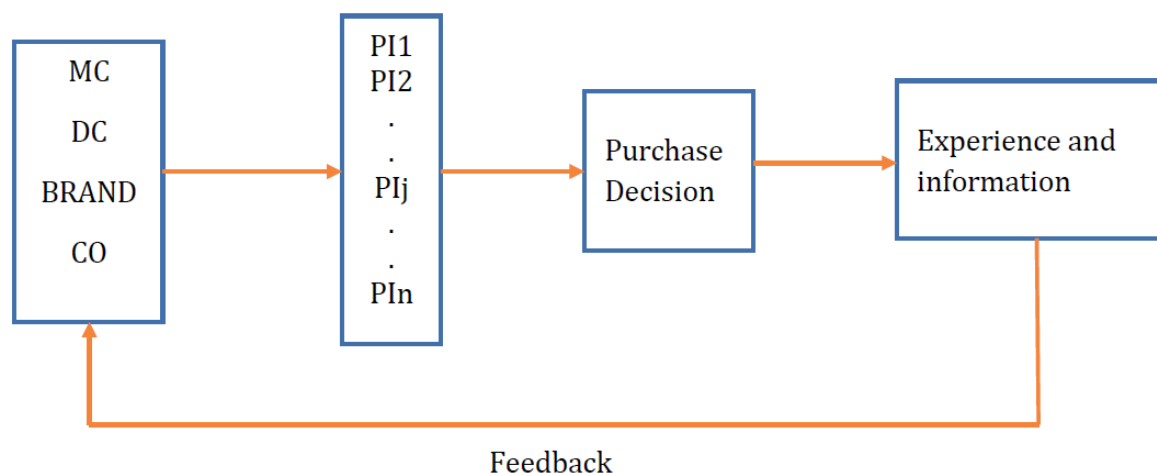
Figure 17 : *Information Processing Model (Jaffe and Nebenzahl, 2001, p. 52)*

As it can be seen in the figure above (See *Figure 18*), for all products available in the market (PIj), consumers receive information about the made-in country (MC), country of design (DC), country of associations (CO) and brand. This information being perceived, together with the perception of the products' attributes, consumers base their information on the cues just presented. After purchasing the product and interacting with it, an evaluation based on experience can be made, an experience that leads to a revision of all images by means of feedback, which affects future purchase decisions. (Jaffe and Nebenzahl, 2001, p. 53)

5.   Insights and Conclusions

From the writing presented in this subchapter it can be said that without being familiar with a country's products, the country image acts like a halo for the individuals, (Jaffe and Nebenzahl, 2001, p. 43). The question that this statement brings is if individuals can be influenced by the halo effect even if they have information about the products and are familiar with them but the products that they evaluate are more complex. The summary model presents the attitude formation of the individual when he is more experienced and has more knowledge about the product.

Regarding the combined model presented in *Figure 17* it can be considered incomplete because there are not presented details regarding the relation between brand and country images. The model does not take into consideration the fact that the image of more than one country can be involved.

The last model, regarding attitude formation in the case of hybrid products, incorporates both halo effect and summary effect through the element of feedback included in the model and that is more realistic due to the fact that it includes more products and implicitly more country images; in addition to this, this last model takes into consideration, besides country of association, also made-in country, design country and the brand image. One might say that the model is still not complete and few more concepts might be considered to be added, such as country of assembly and country of parts (components). The remaining question is how much influence has each of those image countries and brand separately in attitude formation.

To sum up, the main idea of the chapter is that the lack of information and familiarity with a product has an impact on the importance of the country image variables when evaluating a product. Another important issue discussed is that the country of origin image might change over time through the acquisition of experience.

F. Consumer Decision Making

Finally pieces are put together in order to explain the decisional process as a result of consumers' attitude. In this chapter the process of decision making will be depicted with the purpose of better understanding of consumers' behaviour and most of all the implications of country of origin and made-in country in the product evaluation. First, the nature of the decisional process as being either rational or irrational or both, will be discussed. Secondly, the decisional process as a problem solving process and the amount of information needed to get to a final decision in different cases, is presented, and last the consumer behaviour toward commercial stimuli and the consumer perception of risk will be considered.

1. Views of Consumer Decision Making

Individuals are all the time in situations that they have to make a decision. The decisional process was studied by several scholars which treated the consumer decision making in four several ways:

- Economic view;

- Passive view;

- Emotional view;

- Cognitive view. (Schiffman, 2008, p. 72)

The economical view sees the decision making process as a rational one in the economic sense. This view assumes that the individual is capable to identify all possible alternatives, ranks them correctly and decides which one is the best. This view got many critics saying that individuals are limited by their "*skill, habits and reflexes*", by their "*goals and values*" and by their knowledge bank. (Schiffman, 2008, p. 72)

The second one, passive view is contradictory to the economical view, the consumers being described as "*impulsive and rational purchasers*". In this case the critics are arguing that consumers play however an important role in purchase decisions and they do ask for information, evaluate the products and decide upon the product that give them the most satisfaction. (Schiffman, 2008, p. 72)

The view referring to the association of the feelings to brands in the decisional process is named emotional view and puts emphasis on moods, feelings and impulses. The passive and the emotional view seem to be similar, the difference consists of the fact that the emotional view does not exclude the rationality when explaining the decisional process, consumers do purchase products in order to satisfy and to please themselves and the creation of emotion might be their purpose of buying. (Schiffman, 2008, p. 73)

The last view, the cognitive view describes the consumers as a "*thinking problem solver*" which can be placed somewhere between the economical view and the passive view. In this case the consumers do not have all the information about all the product alternatives, but they try to search for information and make satisfactory decisions. (Schiffman, 2008, p. 74)

In an attempt to place on a graph all the views that were just presented and to have a better overview the following image was created (See *Figure 19*).

Figure 18 : *Views of Consumer Decision Making (own creation inspired by Schiffman, 2008, p. 72-74)*

2.   Levels of Consumer Decision Making

The consumer decision-making situation requires a different amount of information and degree of effort depending of the situation that the consumers encounter. In an attempt of ranking the degree of effort of the consumer in his decision-making process three levels were identified: extensive problem-solving, limited problem-solving and routine response behaviour. (Schiffman, 2008, p. 71)

At the extensive problem-solving level consumers need a big amount of information in order to come up with a set of criteria based on which to judge the brands and finally to make a decision. In comparison to this, the limited problem-solving level refers to the situation when the consumers already defined the criteria for their evaluation but they didn't yet decide upon a brand that they prefer. As expected, the routine response behaviour level is a routine behaviour, consumers having the criteria already set, a preferred brand and most of the time they don't need additional information, a simply review of what they know being enough. (Schiffman, 2008, p. 71)

Figure 19 : Consumers' problem - solving levels (own creation inspired by Schiffman, 2008, p. 71)

3.   Selective Perception to Commercial Stimuli

There are many variables that influence the consumer perception when evaluating a product (price, quality, colour, package, taste etc.), but what makes a decision is the reflection of their motives and expectations on those variables. According to these, four concepts with respect to consumer behaviour toward commercial stimuli were defined:

> - Selective exposure;
> - Selective attention;
> - Perceptual Defence;
> - Perceptual Blocking. (Schiffman, 2008, p. 71)

The first concept, selective exposure stands for consumers searching for products/messages that they are sympathetic with and avoid the rest. Consumers give selective attention to commercial stimuli, the highest attention being addressed to the ones that meet their needs. To be noted that consumers' perception also varies from which attributes interests them (price, design, social appearance, etc.). The last two concepts deal with the way consumers treat unpleasant information. Perceptual defence

is about filtrating subconsciously unpleasant information which is not in accordance with their needs, values and beliefs (ex. smokers and the warning labels from the cigarette package) and perceptual blocking about blocking external stimuli from conscious awareness so that the reality does not become too overwhelming.

4. Perception of Risk

The perceived risk is defined as "*the uncertainty that consumers face when they cannot foresee the consequences of their purchase decisions*" (Schiffman, 2008, p. 197). The consumer's perception of risk influences his/her purchasing strategies. Schiffman (2008) points out the fact that a consumer might perceive risk even if it might not exist and that if the consumer does not perceive risk no matter how dangerous is the product, it will not affect purchase decision. (Schiffman, 2008, p. 197)

In an attempt to identify the types of risk that consumer perceive, Schiffman enumerates the following:

- Functional risk (that the product will not perform as expected);

- Physical risk (that will harm themselves or the others);

- Financial risk (that will not worth its cost);

- Social risk (that will produce social embarrassment);

- Psychological risk (that will bruise the consumer ego);

- Time risk (that will waste time in product search if the product does not perform as expected). (Schiffman, 2008, p. 197)

Moreover Schiffman (2008) portrays several elements that he considers as influencing the perception of risk:

- Person;

- Product category;

- Shopping situation. (Schiffman, 2008, p. 198)

Discussing the perception of risk depending on person, Schiffman (2008) classifies the consumers in two categories: narrow and broad. The narrow persons are considered the ones who don't engage in high risk activities and limit their choices to safe alternatives. On the other hand the broad persons would rather risk a poor selection than limiting the number of alternatives. (Schiffman, 2008, p. 198)

It was found that that the perception of risk is product specific, for instance high involvement products are perceived riskier compared to low involvement products, in

addition to this it was found that consumers also perceive services buying decisions riskier than product buying decision. Last, the perception of risk depending on shopping situation refers to the fact that some consumers are sceptical concerning online shopping or door-to-door sales etc. (Schiffman, 2008, p. 198)

When going deep into the analysis of the consumer perception of risk, it was found that consumers develop strategies meant to reduce the risk that they perceive and to increase the confidence when making product decisions. The most common strategies that they use for perceived risk decreasing are:

- Search of information;

- Brand loyalty;

- Selection by brand image;

- Selection by store image;

- Selection by price (buying the most expensive);

- Selection by reassurance. (Schiffman, 2008, p. 71)

The higher the perceived risk is, the higher the amount of information needed to make a purchasing decision, because the more information they have about a product the more predictable the consequences are. Brand loyalty, the second strategy, is considered by some consumers as a way to avoid risk because if they were satisfied once with that brand it is more likely that the consequences of buying the same brand will not change unlike in the situation of purchasing a new brand. The third, purchasing decision making based on brand image is explained by the fact that consumer prefer to buy well-known brands because of the promises that a brand image involves. Besides brand image, consumers also rely on store image, this in situations when they do not have information about the product they trust the judgments of the merchandise buyers of a reputable shop. Another strategy that consumers adopt is to buy the most expensive, thinking that probably the most expensive product is the best in terms of quality. The last strategy presented above refers to buying based or reassurance offering, according to this the consumer perceive a lower risk when a product comes with a money-back guarantee, warranties, pre-purchase or the like. (Schiffman, 2008, p. 71)

5.   Insights and Conclusions

Country of origin is described by Martin and Eroglu (1993) as consisting of three dimensions: political, economical and technological. It is no doubt that these three dimensions reflect the cognitive and rational perception of the consumer about a country. On the other hand, it can be argued that "*country of origin is not merely a cognitive cue for product quality, but also relates the emotions, identity, pride and autobiographical memories*", (Verlegh and Steenkamp, 1999, p. 523). This being said it can be concluded that a country image can be either a rational or irrational variable to take into consideration in the process of decision making but most of all can be both, all depending on the individual and the buying situation.

When discussing country of origin as a piece of information in the decisional process several questions can be raised, for instance is country of origin taken into consideration in a consumer routine response or is it more important in an extensive problem solving situation? Taking into consideration the big amount of information a new question might be asked: how important will be the country of origin among all the information in this case? Some authors draw the attention that the extrinsic variables (country of origin among other) are mostly taken into consideration in the cases of high-involvement product evaluation (extensive problem solving), (Loureiro and Umberger, 2005, p. 49-63).

However Simmons and Leonard (1993) argue that when a consumer has the extrinsic products variables evaluated the conclusion is drawn to the intrinsic variable of the product, (Simmons and Leonard, 1993, p. 266-274), meaning that the importance of the discussed variable might not be of high importance after all.

The perception of risk is closely related with the concept of value perception, because consumers make a trade-off between product benefits and money sacrifice and as presented previously they adopt many strategies to decrease the perception of risk. By taking a glimpse at all the strategies listed previously it can be observed that all the variables that they take into consideration when they sense high risk, are extrinsic variables (brand image, store image, price, warranty, etc.) as country of origin is, from this being possible to infer that country of origin might be a piece of information important for consumer to judge the risk that the product pose.

G.   Theoretical Framework

It was considered helpful to end this chapter "Theoretical Considerations" with a theoretical framework that will help moreover in the creation of the questionnaire and the interpretation of the result, but most important will help answering the problem formulation.

1.   Theories and Links between Theories

The figure below (See *Figure 21*) was made with the purpose of drawing a conclusion of all the theories just presented and of understanding the relation between them. This will help getting more knowledge about the chosen topic by giving a theoretical framework that later on will lead to answers to the question formulated at the beginning of the project.

First, in the "Theoretical Considerations" chapter, the segments of consumers according to their attitude towards country of origin (ethnocentrics, cosmopolitans and othercentrics), are taken into consideration. The attitude, as it is shown in the picture, is influenced by one's culture, reference groups and demographics. The attitude segmentation and the influences just presented are considered very important in this study because the knowledge about consumers leads to understanding the reasons for their behaviour, what has an impact on their attitude and why, in order to predict a response to a product evaluation and a strategy to influence purchase decisions.
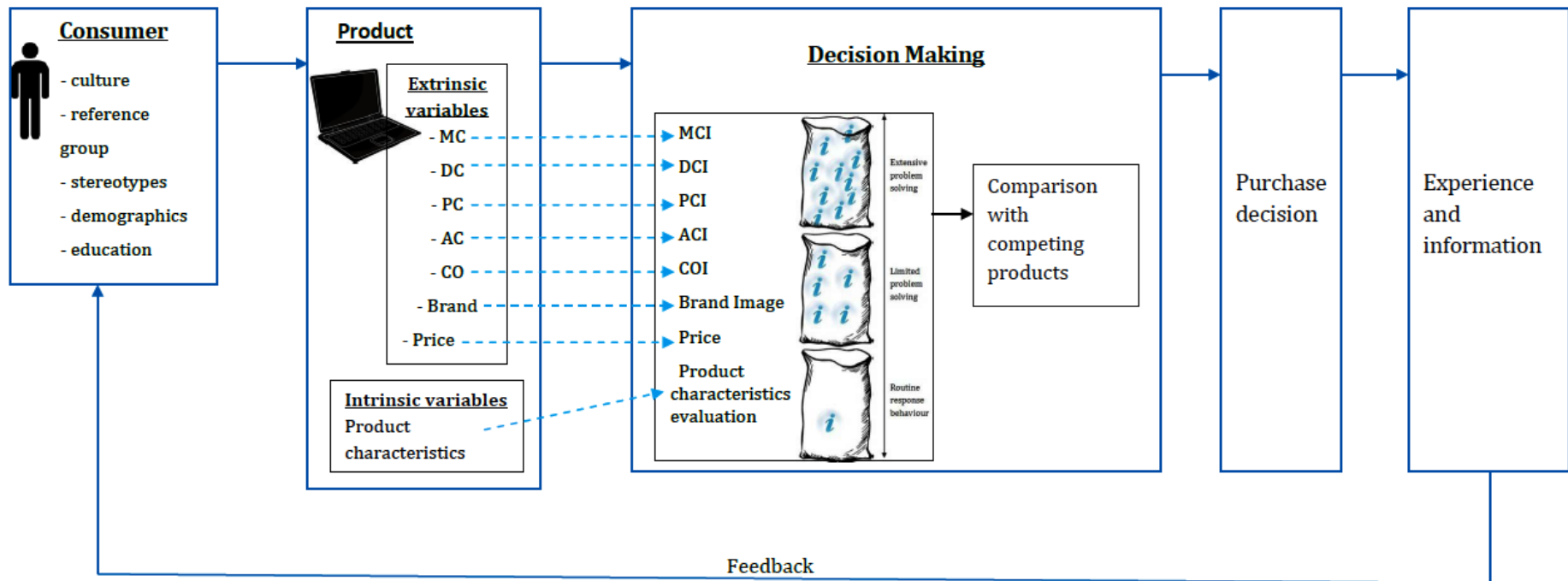
Figure 20 : *Theoretical Framework*

MC – Made-in Country	MCI - Made-in Country Image
DC – Design Country	DCI - Design Country Image
PC – Parts Country	PCI - Parts Country Image
AC – Assemblies Country	ACI - Assemblies Country Image
CO – Country of Origin	COI - Country of Origin Image

The figure suggests that once the consumer forms its background according to the culture environment and its circumstances, he evaluates a product by taking into consideration different variables; in the figure a hybrid product evaluation is presented, where the consumer deals with multiple countries of origin. Besides the multiple countries of origin there are also variables like brand and price as extrinsic variables and also intrinsic variables, which are the product's characteristics, that a consumer is taking into consideration in the process of decision making; the quality variable wasn't included because is hard to decide where to include it, the quality being a conclusion that the consumer gets out of either intrinsic variables or extrinsic. Further in the figure all the variables are transformed in mental images, impressions that are judged in comparison with other products. As expected the decisional process varies in difficulty, time and information, because the bigger the risk the more complex the decisional process will be. As illustrated in the figure the routine response behaviour needs only basic information regarding the product characteristics, no additional information being needed; the information regarding the countries of origin being searched under a extensive problem solving decisional process. After all variables and all alternatives are evaluated, a decision is made and a product is purchased. After the purchasing decision the consumer acquires experiences and draws a feedback in his mind concerning the product which he will remember in similar situations when he will have to decide among products from the same category.

2.   Theories and Problem Formulation

In the following it will be discussed if the theories that are representing the base for the theoretical framework, are actually answering the questions and the purpose of the project.

What is the impact of country of origin and made-in country on the consumer perception concerning hybrid products in an emerging market setting?

For answering this question many theories are taken into consideration. The investigator believes that, in order to understand the consumers' attitude, it is important to know first who the consumers are. In this sense the segmentation, culture, stereotyping and reference group theories are used. Later on models that deal with the consumers' attitude toward the country of origin aspect are presented: halo model,

summary model and information processing model of relative product image. The first two are dealing in general with country of origin from the perspective of familiarity and experience and the last is adapted for hybrid product where there are multiple countries of origin. Furthermore the literature chapter presented different aspects of the decisional process that were found important in relation with country of origin or multiple counties of origin products. First a discussion about the nature of the decisional process, rational or irrational, emotional or cognitive with respect to the country of origin, was taken into consideration and it was concluded that it depends on the consumer and the situation, because country of origin can be both an emotional and rational cue and that all is in the mind of the consumer. After the discussion regarding the views of the decisional process, the levels of the decision making were taken into consideration; those were discussed with respect to the amount of information a consumer needs in different situations to make a final decision. In the end the different ways that consumer handle risk, were presented. Shortly, the impact of country of origin and made-in effect on consumer is analyzed by firstly identifying the aspect that shapes the consumers' behaviour and the way of thinking; secondly by looking at the consumers' attitude formation toward countries of origin (also in the case of multiple countries of origin) and last by deeply studying the decision making process, the perception of risk and their ways of avoiding risk.

> ***Is there any difference between the importance of country of origin information (associated country) and the manufacturing country information in the consumers' decisional process?***

As a sub-question, the importance of the countries of origin is investigated. In the theoretical chapter it was taken into consideration by discussing the importance of country of origin in the decisional process and in the analysis of consumers' way of handling risk in different situations; the situation that the investigators wishes to furthermore discuss in the empirical part refers to the importance of multiple counties of origin in the case of hybrid products that are unfamiliar to the consumers.

The framework (See *Figure 21*) represents a theoretical overview of the whole process of purchasing decision making, specifically made from the case of purchasing hybrid products that are requiring high involvement from the part of the consumer in the decisional process. The framework is actually the picture that the investigator has in

mind after consulting the theory was chosen to be discussed. Definitely not all elements from the framework and linkages between elements can be tested empirically but presenting the framework as a whole helps deciding upon which elements and linkages to be investigated. In the following elements will be depicted from the framework that the investigator wants to further test them in empirically which will be referred to as the objectives for the empirical part.

The attention of the investigator fells on the relation between country image (associated country) and brand perception because are the information that is acquired in limited problem solving buying situation. It can be assumed that the country that the consumers associate certain brand with acquires the values that the brand stands for and the other way around. With this in mind and based on paste research the first hypothesis can be defined:

"Consumers form their image concerning countries manufacturing capabilities based on the country development and brands originated in that country"

When speaking about high involvement products and the decisional process concerning those products, consumers face an extensive problem solving situation. The reason why this situation is considered extensive problem solving is due to the fact that they actually perceive a higher risk, which in fact depends on the price and perceived quality of a product. Inspired by past research new hypothesis was created:

"Unfamiliar hybrid products (high involvement) are perceived as posing risk; in this case a low price will decrease the perception of risk and increase the willing to buy"

It can be observed in the theoretical framework (See *Figure 21*) that a considerably big amount of information is needed to come to a final decision. Both intrinsic and extrinsic information are considered for one product which then is compared with the same information regarding other products. As large the pallet of alternative as bigger the amount of information needed. In addition to this, in the case of hybrid products even more information is to be acquired, this making the investigator wondering if the information regarding the countries of origin in the case of hybrid product is actually reflected in the final decision. Past research shows that country of origin (in the sense of both associated country an manufacturing country) influence the product perception and purchase intentions from where it can be inferred that it can be the same case with the hybrid products.

"Countries of origin influence product perception and purchase intentions"

As presented at the beginning of the project, it is wanted to make the research in a low developed country setting due to different considerations as: the fact that hybrid products are not often studied from the perspective of the emerging countries consumer and that consumers from low developed countries are considered as having othercentric behaviour. The investigator considered that as respondents, the consumers from low developed countries will not be influenced by ethnocentric feelings and will give more accurate response (See chapter I.3 Problem Field).

IV. Data Analysis

In this chapter the analysis of the collected data will be presented. The analysis will be according to the objectives and problem formulation. Implicitly the hypotheses that were defined with the purpose of being tested through the questionnaire will be discussed.

A.   Country Perception and Brand Perception

The perception of consumers regarding countries was tested, there were given several country names and the respondents were asked to grade those countries according to their capability as laptop manufacturer. Low developed countries and high developed countries were included in the list in order to test the hypothesis: *"Consumers form their image concerning countries manufacturing capabilities based on the country development and brands originated in that country"*
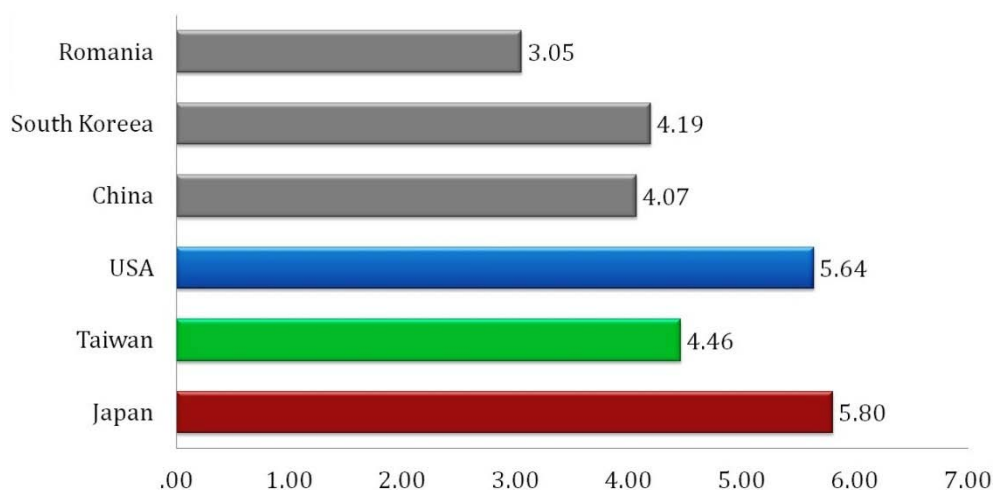
Figure 21 *: Country Perception*

Japan was the most appreciated country as laptop manufacturer by Romanians, the overall grade received being 5.8 from 7, the second country was USA with 5.64 and third Taiwan with 4.46. As it can be seen, Romania received the lowest grade from all, 3.05. (See *Figure 22*)

Focusing on testing the hypothesis just presented, hypothesis that concerns the implications of country development in consumer perception the respondents answers were looked in comparison with the "Human Development Indicator (HDI)" (See *Figure 23*).

The answers do not completely confirm the hypothesis, it can be noticed that low developed country have a poor image compared to high developed country but also certain exception can be noticed.
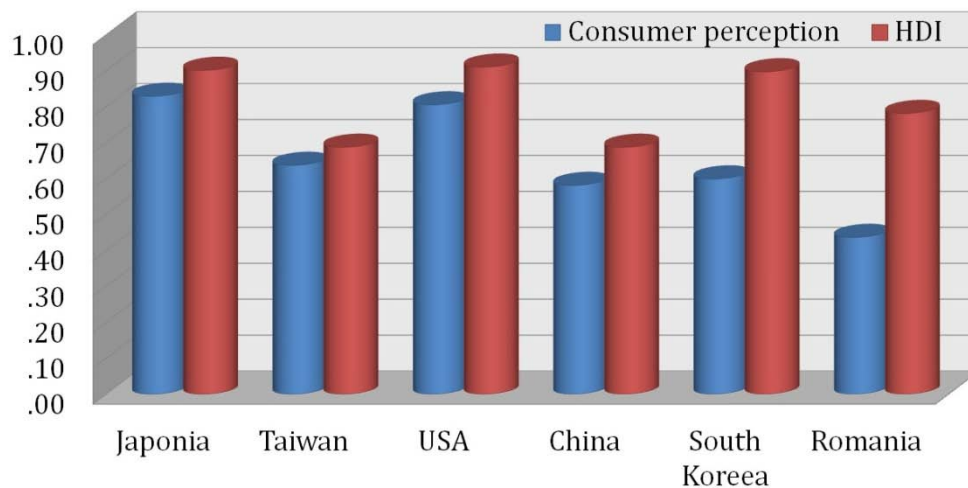
Figure 22 *: Country Perception and the Human Development Indicator*
(HDI: http://hdr.undp.org*)*

U.S.A. has a greater human development indicator value than Japan but sill Japan has a greater perception as laptop manufacturer; Taiwan is perceived better than South Korea even if South Korea is higher developed than Taiwan; Romania is seen as having the poorest capability in laptop manufacturing even if Romania is higher developed than China and Taiwan. Taking this into consideration it can be assumed that the development of a country is taken into consideration in situation when well known brand names cannot be associated with that particular country and that brands have a greater importance in country image formation than level of development but from the a specific industry point of view, the industries that well know brand originated in that country represents.

It can be concluded that the first hypothesis is accepted, however the assumption that brand names help to the country image formation will be tested in the following.
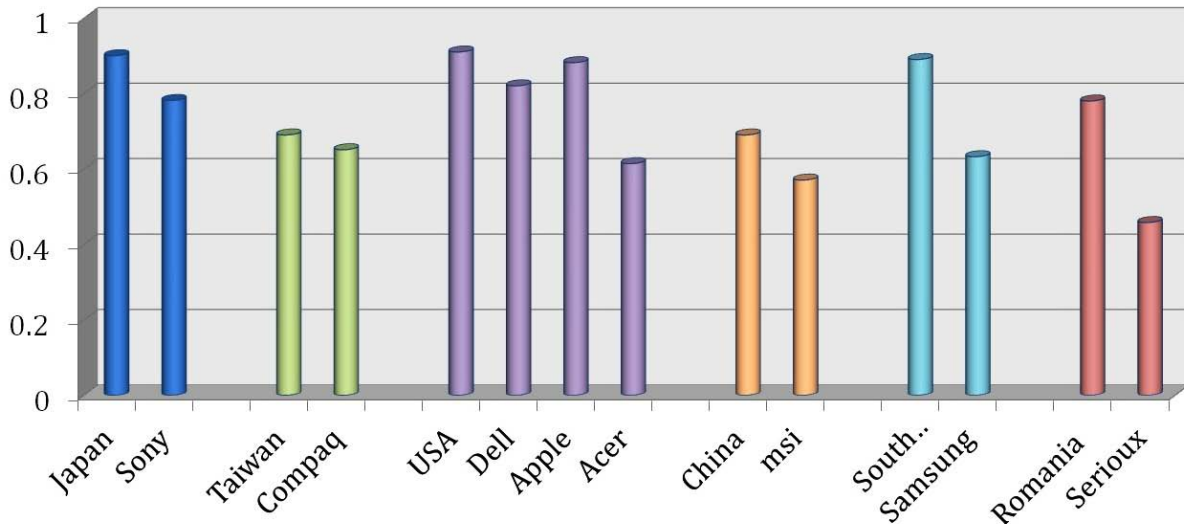
Figure 23 : *Country and Brand Perception Analysis*

The country image and brand image relation it certainly exist (See *Figure 24*). Apple (USA) is the most appreciated brand followed by Sony (Japan), Dell (USA), Compaq (Taiwan), Samsung (South Korea).
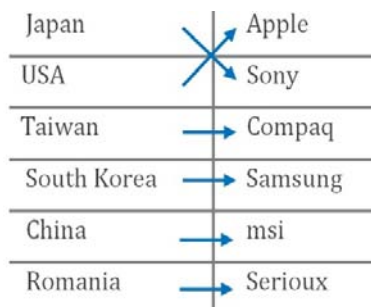
Table 5 : *Country and Brand Perception Relation*

Looking at both country perception and brand perception it can be noticed that beside Japan and USA all countries maintain their position also in terms of brand representatives. However the perception difference between Japan and USA is not big and it is the same for Sony and Apple. This argument supports the assumption that brand name have a big importance in image formation.

In order to make sure that consumers consciously evaluate counties according to brands originated in the respective country they were asked to pair each country with the brands that they consider as matching.
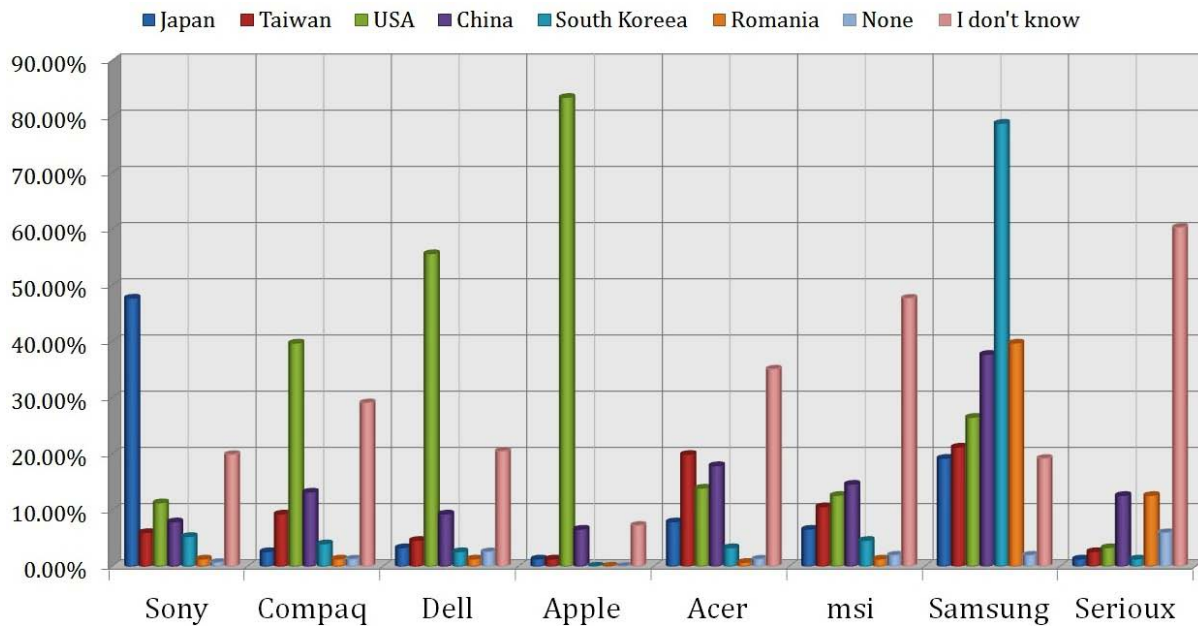
Figure 24 *: Matching Country and Brand*

The respondents were able to pair brands like "Apple", "Sony", "Samsung" and "Dell" with the countries of provenience. It can be noticed that the rest of the brands were either paired with low developed countries or no country were paired with them, for example "Serioux" was paired with China or Romania but most of the respondents said that they don't know.

All considered, it can be argued that *"consumers form their image concerning countries manufacturing capabilities based on the country development and brands originated in that country"*. However it can be argued that the brand knowledge is more important than country development knowledge in country image formation. The reason for this it can be assumed to be the fact that the information about brand originated in a particular country is more relevant for similar product evaluation than the level of development of a country, which is important when familiar brand names are not known or the brand name that is known it has not a positive evaluation.

B. Consumer Decisional Process and Risk Perception

The risk perceived in situations when the consumers deal with unfamiliar products that involve an extensive problem solving approach. The hypothesis created in order to be tested in this part of the questionnaire is: *"Unfamiliar hybrid products (high involvement) are perceived as posing risk; in this case a low price will decrease the perception of risk and increase the willing to buy"*. In the questionnaire it was tried to be created this specific situation by presenting the product "Apollo" to the respondents; the product is an unfamiliar product because it doesn't exist in real life and it is a high involvement product; in addition to this the product is also a hybrid product with multiple countries of origin.
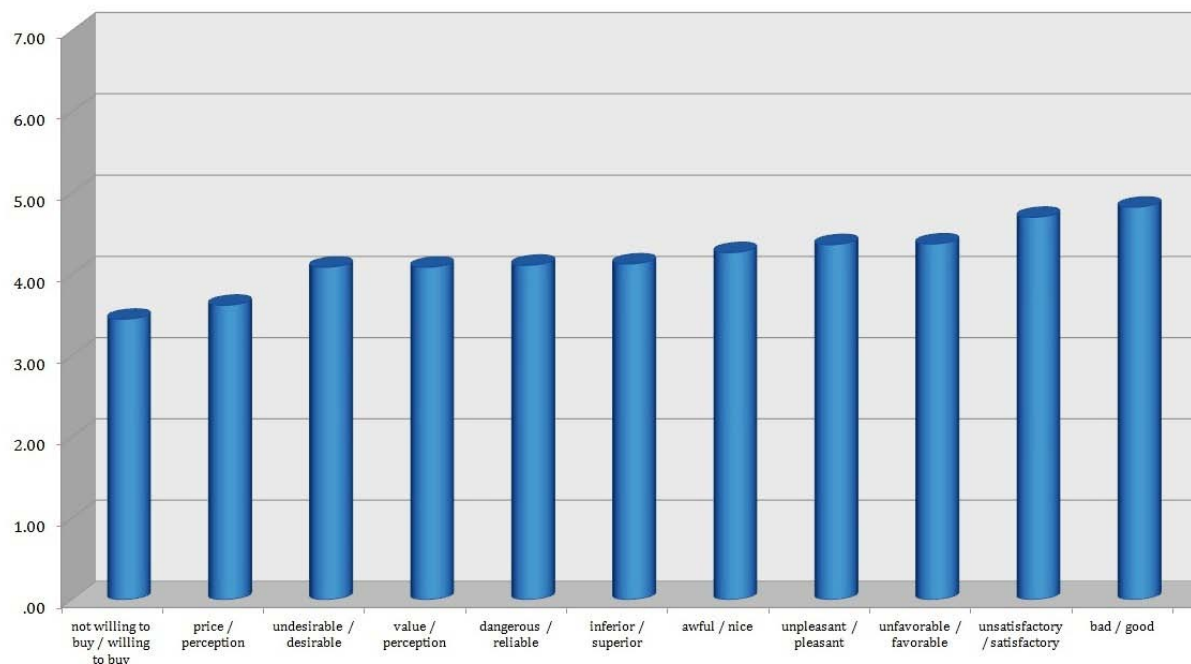
Figure 25 *: Product Overall Perception*

First the overall perception it was tested. As it can be seen in the figure above (See *Figure 26*), the overall perception of the product in above average, however as expected the category that received the lowest appreciation is the willing to buy. Even if the product is well evaluated, the willing to buy seems not to be directly dependent with the rest. Having in mind the overall evaluation of the product that the respondents made, it will be analyzed how consumer compare the product with other brands in terms of price for similar characteristics.
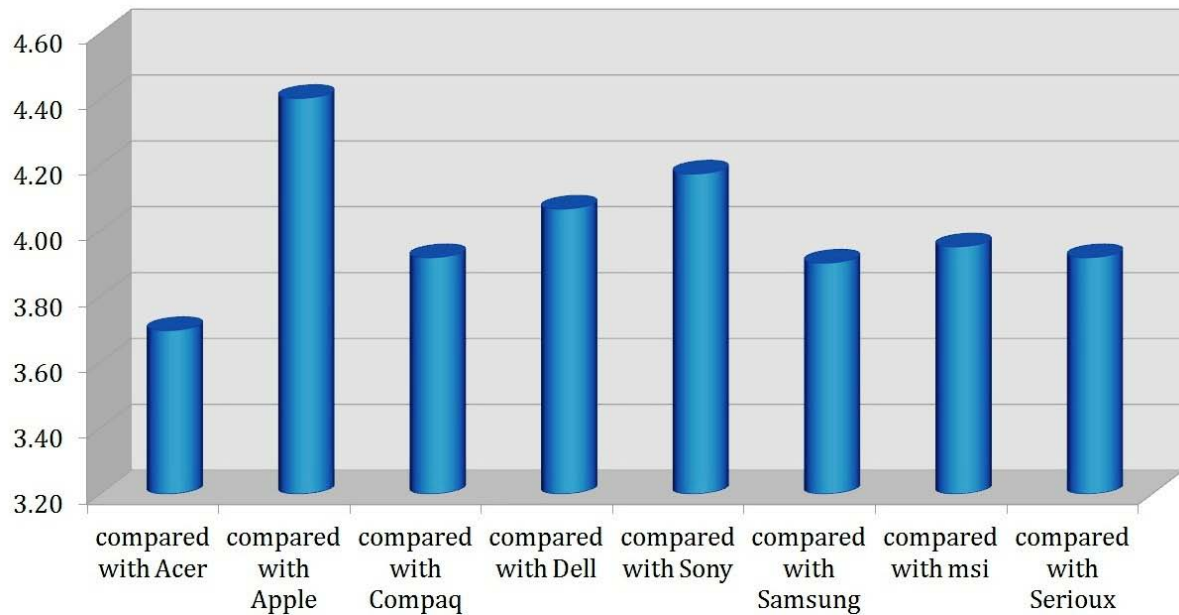
Figure 26 : Product Perception compared with other brands

The brand names are the same that were used in the first part of the questionnaire, in this way the consumer perception about each of the brands is known. According with the results of questionnaire's first part Apple and Dell had the best evaluation, followed by Sony and Compaq. When comparing the given product with the brand in terms of price for similar features, the given product was well evaluated in comparison with Apple, Sony, Dell and Compaq. From this it can be inferred that low price for similar features to well known products do not eliminates the financial risk and the financial and functional risk that the product pose. As presented in the theory consumer are making choices by brand name or by buying the most expensive in situations of high risk perception.

Being asked how much they would pay for the product the 45.1% of the respondent answered that they would pay 2000 Ron, 30.3% answered 1499 Ron, and only 6.6% would play the price that was advertised (2499 Ron); this meaning that even if respondents agree that the product has a lower price for the same features than other popular brands they are not willing to pay that price, the price that pose less risk (financial risk) is considerably lower. Looking at the dependency of the price with the income it can be seen that the financial perception is also related with the income, it can be noticed that the financial risk perception decreases if the income increases.
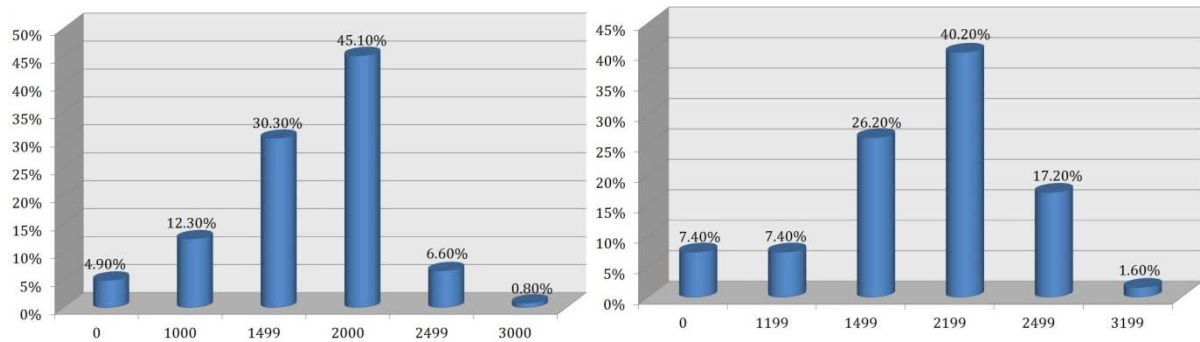
Figure 27 : Financial Risk Perception and Price relation with the Income

Discussing the hypothesis that was formulated for testing the price elasticity in rapport to the financial risk perception it can be said that according with the findings a low price does diminishes the financial risk perception only that the price is much lower for an unknown brand than a well known brand for similar features because of the high risk of functionality that it is perceived. In other words the hypothesis is accepted.

C.   Importance of the Multiple Countries of Origin

The last objective tests the importance of the multiple countries of origin with the hypothesis defined as following: *"Countries of origin influences product perception and purchase intentions"*.
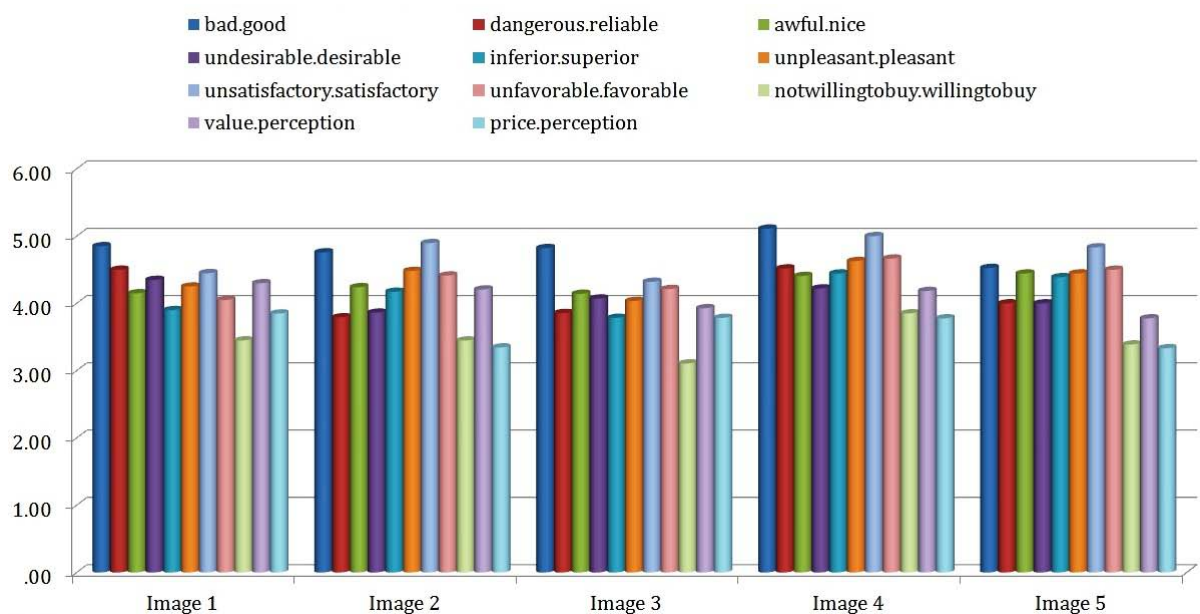
Figure 28 : Overall Brand Perception for all the images tested in the questionnaire

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In the questionnaire five different images were sent to five different groups of respondents, in each image different information concerning the countries of origin is presented (See VIII.5 Appendix 5).

Image 1	AC – India DC - USA PC – USA
Image 2	AC – USA DC - Romania PC – USA
Image 3	AC – Romania DC - India PC – USA
Image 4	AC - India DC - Romania PC – USA
Image 5	AC – Romania DC - Romania PC – USA

Table 6 : Multiple countries of origin for the

images used in the questionnaire

In the respondents answers there are no important differences in depending on the origin countries in the image. The overall perception of the product is almost the same indifferent of the counties of origin. However small differences can be noticed, for example the best evaluation has the product from image four (See *Figure 29*). Looking at the information that is promoted on that product commercial that the respondents were exposed to it can be seen that two low developed countries and one high developed is used. Based on the tested hypothesis that low developed countries of origin influence negatively the image of the product it can be said that the reasoning for these differences is not influenced by multiple countries of origin location but just that the consumer perception varies slightly from person to person.

The same tendency can be noticed for the rest of the questions, the comparison of the product from the image with other brands in terms of price for similar features and also the price that the respondents are willing to pay for the product does no change depending on the countries of origin See VIII.7 **A**ppendix 7).

Finally in the questionnaire was inserted a question that tests if consumers remember the countries of origin from the image that was previously showed to them, if they really are paying attention to that information.
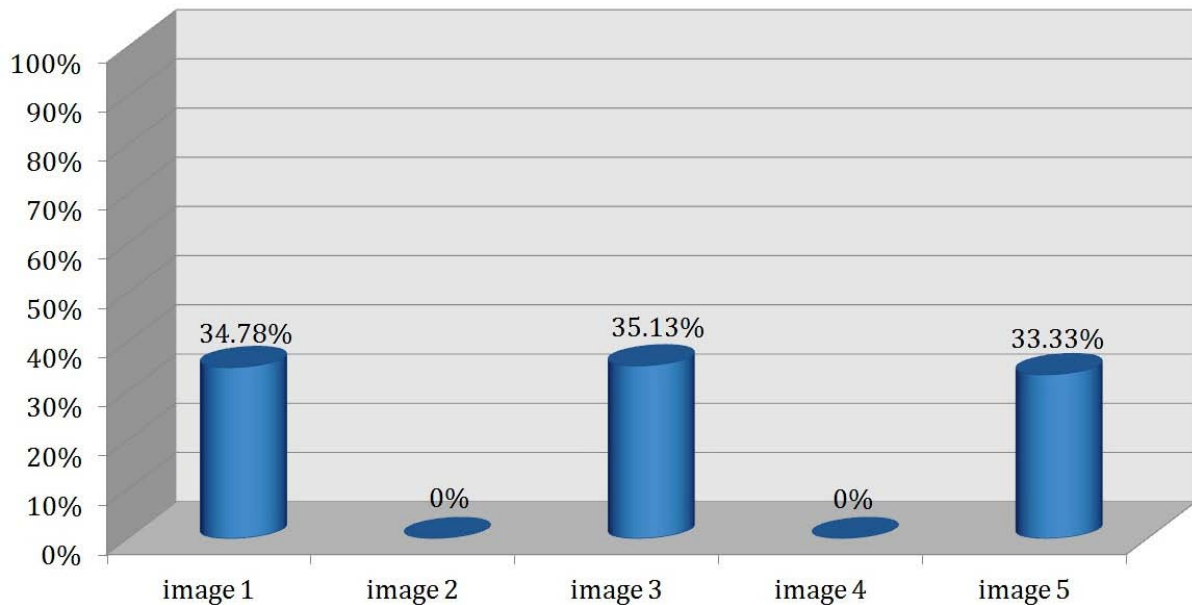
Figure 29 *: The Importance of Multiple Countries of Origin*

As notable in the figure above (See *Figure 30*) the respondents are not able to remember all three countries of origin mentioned in the image (assembley country, design country and parts country). The image number three had the biggest number of consumers giving the right answers, 35.13%. It can be noticed that the responses for the image number and image image number four no right answer was given, the investigator explanation is the fact the respondents got confused by the given alternatives. For example the question asking about the design country in the given alternatives "Romania" wasn't present, the correct answer in this case being the alternative "Other" but the respondents decided to chose another one probabli because they were not sure about the information, for this it can be said that respondents offerd little or no attention to that information and this being the reason why the information have be forgotten or not present at all.

Taking into consideration all the respondents answers, right or wrong we can see that more than 80% of them remembered that the product is designed in USA (first image respondents), also the respondents that answerd to questionaires with presenting the rest of the images remembered one or two of the counties (See VIII.8 Appendix 8) .
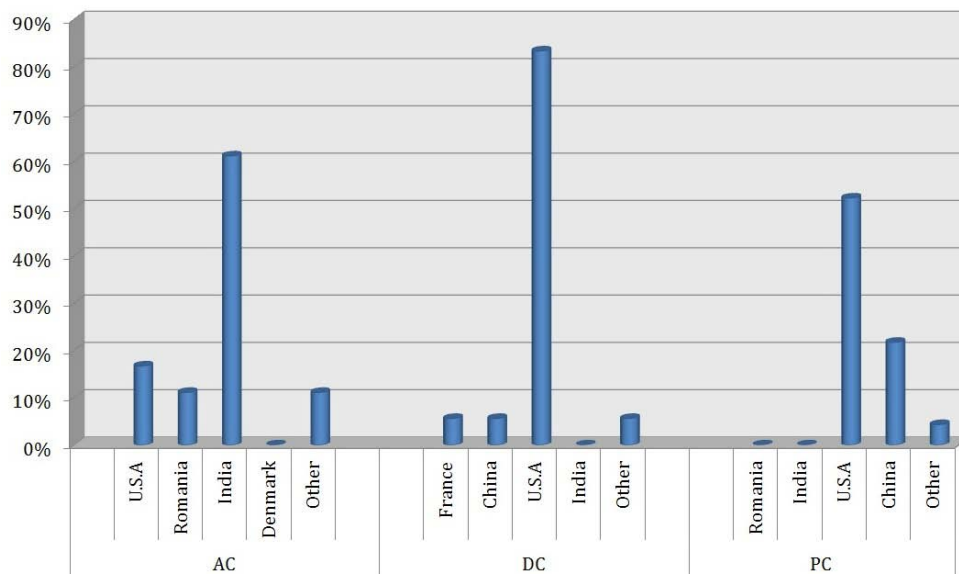
Figure 30 *: The Importance of Multiple Countries of Origin*

Definitely is hard to say if countries of origin influence or not the purchase decisions but according with the answers received through the questionnaire it looks like the consumer is not influence by this information at least not when dealing with a hybrid product. The respondents were evaluating the same product but different in countries of origin and the memory of the countries of origin of the product was vague for many of the respondents, from all the respondents answering the questionnaire only 19.86% remembered all the countries of origin.

V. Conclusions

In this chapter a conclusion will be offered with regard to the problem formulation and to objectives that were set for solving the problem. The main question that was formulated at the beginning of the project:

"What is the impact of the multiple countries of origin image on the consumer perception concerning hybrid products in an emerging market setting?"

This first question was split in two objectives. The first one refers to the implication of country development on the formation of country image and the brand name reflection on country image. The purpose of this first objective is to find how each of the aspects influence the product evaluation and implicitly the decision making process and also to find out if there is a relation between country perception and brand perception.

Starting with the hypothesis: "*Consumers form their image concerning countries manufacturing capabilities based on the country development and brands originated in that country*" both country perception and brand perception were tested. According to the findings the country image formation depends on the country development, the hypothesis *"Low developed countries have a bad image as manufacturer location"* being accepted. However, the investigator distinguished a exception that helps drawing out the conclusion about the relation between country development and brand name implication on country formation; it refers to the fact that if a country is not the origin of relevant brands or the brand are not well evaluated by the consumer the development information concerning that country is not relevant when a lower developed country has more relevant brands originated there(for example Romania and China, see chapter IV.A Country Perception and Brand Perception). In other words the brand name originated in a certain country is the information that is primary important in country of origin image formation because offers more practical information to help the consumers in the process of product evaluation than the country development

information which is useful in situations when brands originated in a specific country are not available or are not known by the consumer.

The second objective elucidates the impact that hybrid products have on the decisional process and the consumer perception of risk. As presented in the theory, consumers perceive different types of risk: functional, physical, financial, social, psychological and time risk. The investigator was discussing only the perception of the financial and the functional one, in this sense this hypothesis was tested "*Unfamiliar hybrid products (high involvement) are perceived as posing risk; in this case a low price will decrease the perception of risk and increase the willing to buy*"

The findings show that even if a certain product is perceived as having a lower price that a popular brand similar in features the respondents are not willing to pay that price, the price that pose less risk (financial risk) is considerably lower. An explanation for this might be the functionality perceived risk, consumers might be afraid that even though the laptop has similar features might not be as efficient as the popular brand product. It was also noticed a dependency between the price willing to pay and the income, the financial risk perception decreases if the income increases.

"Is there any difference between the importance of country of origin information (associated country) and the manufacturing country information in the consumers' decisional process?"

The second question is asking about a distinction between the country of origin in the sense of associated country and country of origin in the sense of manufacturing country in the consumers' decisional process. The country of origin as associated country was tested first in the questionnaire where respondents were asked to identify the country of origin of different brands; the result showed that consumers are able to identify the right country of origin for a certain brand but depends on how familiar they are with that particular brand.

The manufacturing country information was split into Assembly Country, Design Country and Parts Component Country because it was presented a hybrid product. The study showed that respondents are not remembering the information regarding the countries of origin that was presented to them among information about price and product features.

From this a conclusion can be drawn that: The country of origin (associated country) has more importance in decision making than multiple countries of origin since the first one is the piece of information that the respondents remember and that multiple countries of origin (manufactured) are not very relevant for the respondent (no more than 20% remembered that piece of information.

VI. Limitations and Future Research

The main purpose of the paper was limited to showing the impact of multiple countries of origin image on the decision making process of unfamiliar hybrid products (high involvement). The developed framework explains the behavior of consumers that shows a certain level of interest in a product/brand and also is acquainted with the endorsers from advertisements. The exposed theories were the foundation of the quantitative research design and analysis on the decision making process in the case of laptop purchase. Therefore the findings are more relevant for the electronics/laptops industry and are based on consumers that are interested and have knowledge about laptops. However, the findings can be generalized because the respondents of the questionnaire have shown similar patterns in purchase behavior and attitude development towards the shown product, brands and counties. Through the secondary research the investigator selected models and theories that are directly related to the problem formulation and its sub-question. Limited to available resources a selection of only a manageable number of theories and models had to be made. This selection was made based on the best knowledge of the investigator at the specific point in time and naturally the projects outcome may vary slightly if other theories would have been chosen. Any other model that could further explain or is connected with some parts of the research were avoided in order to have a focused study, pertinent findings, and a simple structure that is easy to follow and understand. Nevertheless, the investigator believes that the chosen theories provide a necessary focus and direction for the paper, guiding the development of the proposed framework. The investigator decided to perform a quantitative research due to the big amount of data that can be collected, the qualitative methods being ignored from this point of view, nonetheless a qualitative research might be needed as a continuation of this study where information was verified, furthermore being needed to discover explanation and insight in the findings. As a limitation that the use of questionnaire implies is the fact that researcher cannot control the conditions under which the questionnaire is filled and the degree of

concentration and seriousness of the respondents. This might also be an explanation for the fact that the respondents were not capable to remember certain information from the image shown to them, in this sense further research that implies a better control of the respondents is suggested.

It is reasonable that the respondents are not as careful when filling in a questionnaire that tries to get knowledge about their purchase decisional process as when they actually are in the situation of making a purchase. In this sense the investigator suggest that the respondents should be tested in the actual moment of purchasing or immediately after. The sales man opinion about their customer decision making might be considerably important, they might form an opinion from the questions that customer ask and statements that they do when interacting with the sales staff.

The sample size is limited due to the fact that the response rate wasn't as big as expected but it should be said that patterns where found in the respondents' answers and conclusions were possible to be drawn. A limitation can be considered also the fact that the respondents' age is between 18-30 years, that very few have more than 30 years, and the fact that the majority have a high education, this making the study specific for this type of consumer. It should be mentioned that the sample size was reduced to this due to the fact that the respondents needed to have knowledge about the product; they had to be laptop users in order to be capable to answer to the questions.

As stated previously it is recommended that this study to be effectuated on consumers from high developed countries in order to analyze the differences and to decide if these conclusions are specific or can be generalized. Also it is recommended to make the study on high involvement products with a single country of origin (manufacturing country) or on low developed countries in order to test the dependency of the manufacturing country with the product involvement and risk perception.

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VIII. Appendix

1. Appendix1

Author	Sample/ Product/CO	Principal Findings
Han and Terpestra (1988)	- consumers from USA - high involvement products (TV and automobiles) - USA, Japan, Germany, Korea	- familiarity with country of origin influences purchase intention concerning products from that country - consumers infer product quality from a known product category to an unknown product category from that specific country
Hong and Wyer (1990)	- consumers - high involvement (video and PC) - Germany, Japan, Mexico, Philippines	- bigger impact of country of origin when the information about country of origin is conveyed before other information - whenever country of origin is favourable so is product evaluation
Cai (1994)	- consumers (USA) - general products - Germany, Spain, United Kingdom, Italy, France, Mexico, Brazil, Australia, Japan, India, Egypt and Indonesia	- degree of economical development of a country influences consumer buying intentions - decreased price for less developed country of origin of a product increases willing to buy - high involvement products from a less developed country is less price elastic than a low involvement product from the same country
Peterson and Jolbert (1995)	_____	- country of origin influences more the perceived quality rather than purchase intentions
Haubl (1996)	- consumers (Germany and France) - high involvement products (automobiles) - Czech Republic	- consumers make both cognitive and affective evaluations of foreign products - country of origin affects beliefs, attitude and behavioural intentions

Author	Sample/ Product/CO	Principal Findings
Darling and Arnold (1998)	- consumers (Finland) - general products - USA, Japan, Germany, France and England	- Country of origin is significantly important in marketing strategies - Different levels of satisfaction are satisfied through consumption of foreign products
Agrawal and Kamakura (1999)	- consumers - high involvement (TV, microwaves, CD players, phone, computers) - Japan, Korea, Netherlands, other	- product quality varies by country of origin - marketers charge prices that are justified by differences in product quality rather by country of origin - the differences in quality perception might be objective quality evaluations and not judgements based on country of origin
Watson and Wright (1999)	- consumers (New Zealand) - general products - USA, Germany, Italy, Singapore	- high ethnocentric consumers prefer prefere products from culturally similar countries to the home country rather from dissimilar country when a domestic alternative is not available
Kaynak and Kara (2001)	- consumers (Turkey) - products in general - USA, Japan, China and Russia	- country of origin effects depends country, consumers and product under the study - when additional information is not available consumers rely more on country of origin - past experiences changes or reinforces the feelings

Author	Sample/Product/CO	Principal Findings
Ahmed et al. (2004)	- consumers (Singapore) - low involvement products (bread and coffee) - country of origin (France, Singapore, Indonesia, Malaysia, Switzerland and Colombia)	- country of origin impact on purchase decision regarding low involvement products is weak - however, when a low involvement product has a strong positive country of origin image consumers might buy that product
Moon (2004)	- sample (Korea) - high involvement products (camcorder) - country of origin (Japan, USA, Korea, Hong Kong, Taiwan)	- low knowledge consumers evaluation of products is strongly influenced by country of origin than in the case of high-knowledge consumers - high ethnocentric consumers evaluate the local products unreasonably favourable.
Hamazaoui and Merunka (2006)	- sample (Tunisia) - high involvement products (automobiles and TV) - country or origin (Germany, France, Korea, Taiwan, Italy and Japan)	- consumers make distinction between design and production capabilities of countries - consumers pay attention to design and manufacture when evaluating products with social status and personal involvement.
Roth (2006)	- sample (Austria) - general products	- products identical in every aspect except country of origin were evaluated differently
Veeanne (2007)	- sample (China) - high involvement products (LCD TV) - country of origin (Japan, China)	- price and country of origin interaction is significant both under low and high price condition - country of origin impact is higher in low price situations - price impact is higher under less favourable country of origin
Dikcius and Stankeviciene (2010)	- sample (Lithuania) - high involvement products (TV) - country of origin (Japan, South Korea, United Kingdom, Poland and Turkey)	- more developed country of origin have a better image as manufacturers than less developed counties - strong correlation between the evaluation of brand and the evaluation of country of origin of a brand

2.   Appendix 2

Interpretive paradigm – is the opposite of the *Functionalist paradigm* that was adopted be the investigator. This paradigm is favouring a subjective approach to an investigation because it is by nature highly subjective and qualitative. The interpretive view is concerned primarily with the experiences of the individual, or the process by which employees make decisions, rather than the outcomes of these decisions. (Burell and Morgan, 1979, p. 260)

Radical humanist paradigm shares with the *Interpretive Paradigm* the assumption that everyday reality is socially constructed. Scholars adopting this approach see the dynamics of social change process in terms of interactions between individuals' world views and the external institutionalized world in which they live. The external world is often so powerful that social change requires the emancipation of the consciousness of individual participants within the society.

Radical Structuralist Paradigm sees inherent structural conflicts within society. These conflicts generate constant change through political and economic crises. This paradigm is tied to a materialist conception of the social world. In this paradigm, social reality is considered a fact. It possesses a hard external existence of its own and takes a form which is independent of the way it is socially constructed. In this paradigm, the social world is characterized by intrinsic tensions and contradictions. These forces serve to bring about radical change in the social system as a whole.

3.   Appendix 3

Every research objective represents a question category. In the following each category of questions that were included in the questionnaire will be presented. **- Country Perception and Brand Perception**

For this category three questions were defined. The first question asks respondents to evaluate a list of countries from the manufacturer point of view. The purpose of this question is to see if consumers evaluate countries depending on their development level but for this, additional questions will be need.

1. Please give grades from 1 to 5 to the following countries according to their capabilities as laptop manufacturer (1-weak 5-strong)

	1	2	3	4	5
Japan	○	○	○	○	○
Taiwan	○	○	○	○	○
USA	○	○	○	○	○
China	○	○	○	○	○
South Korea	○	○	○	○	○
Romania	○	○	○	○	○

The second question asks the same but regarding brand perception. A list of brands is given and respondents are asked to grade each of them. This will also be useful for better understanding future questions because the same brand names will be used along the questionnaire.

2. Please give grades from 1 to 5 to to the following brands according to their capabilities as laptop manufacturer (1-weak 5-strong)

	1	2	3	4	5
Dell	○	○	○	○	○
Compaq	○	○	○	○	○
Apple	○	○	○	○	○
Acer	○	○	○	○	○
Serioux	○	○	○	○	○
Samsung	○	○	○	○	○
Sony	○	○	○	○	○
msi	○	○	○	○	○

The last question from this part of the questionnaire tests the respondents' knowledge concerning counties of provenience and also tests the differences between country of origin evaluation and brand evaluation for coming from the same country.

3. Please chose the country of provenience that you consider as corresponding to the following brands:

	Japan	Taiwan	U.S.A	China	Romania	South Korea	None	I don't know
Dell	○	○	○	○	○	○	○	○
Compaq	○	○	○	○	○	○	○	○
Apple	○	○	○	○	○	○	○	○
Acer	○	○	○	○	○	○	○	○
Samsung	○	○	○	○	○	○	○	○
Sony	○	○	○	○	○	○	○	○
msi	○	○	○	○	○	○	○	○
Serioux	○	○	○	○	○	○	○	○

- Consumer Decisional Process and Risk Perception

The second part of the questionnaire starts with a an image, a commercial for a laptop presenting all information about the laptop features, price and country of assembly, country of design and country of component parts. The given countries are Romania, India and U.S.A. displayed in different combination, this implying five picture which means five different questionnaires distributed to five different groups of respondents. It is important to mention that the laptop presented in the image is fictive; the price was chosen according with the price of a regular laptop with those features.

After showing the picture, the first question asks respondents to generally evaluate the product.

4. Evaluate the product from the image above by giving grades from 1 to 7 based on the given information:

	1	2	3	4	5	6	7
1 - bad / 7 - good	○	○	○	○	○	○	○
1 - dangerous / 7 - reliable	○	○	○	○	○	○	○
1 - awful / 7 - nice	○	○	○	○	○	○	○
1 - undesirable / 7 - desirable	○	○	○	○	○	○	○
1 - inferior / 7 - superior	○	○	○	○	○	○	○
1 - unpleasant / 7 - pleasant	○	○	○	○	○	○	○
1 - unfavorable / 7 - favorable	○	○	○	○	○	○	○
1 - not willing to buy / 7 - willing to buy	○	○	○	○	○	○	○

Furthermore, the value perception of the product from the image is asked to be evaluate in comparison with all the brands that were evaluated previously in the first part of the questionnaire. The purpose behind this question is to see how will the respondents evaluate a unfamiliar product compared with well known brands, also their opinion concerning the price is asked.

5. Rate your value perception of the product showed in the image above on the following scale, based on the total package provided:

	1	2	3	4	5	6	7
1 - poor value for the given price/ 7 - good value for the given price	○	○	○	○	○	○	○
1 - under-priced / 7 - over-priced	○	○	○	○	○	○	○
1 - Unfavorably priced compared to the "Acer" brand with similar features and package / 7 - Favorably priced compared to the "Acer" brand with similar features and package	○	○	○	○	○	○	○
1 - Unfavorably priced compared to the "Apple" brand with similar features and package / 7 - Favorably priced compared to the "Apple" brand with similar features and package	○	○	○	○	○	○	○

Finally the respondents are asked how much they will pay for the laptop from the image according to their income and also after a rise of income. The investigator wishes to see if willing to buy for this kind of product (high involvement hybrid products) depends on one's income or not.

6. Given your income and knowledge of other brands how much are willing to pay for this product?

○ 0   ○ 1000 Ron   ○ 1499 Ron   ○ 2000 Ron   ○ 2499 Ron   ○ 3000 Ron

7. With an extra bonus of 500 Ron over your income; how much are willing to pay for this product?
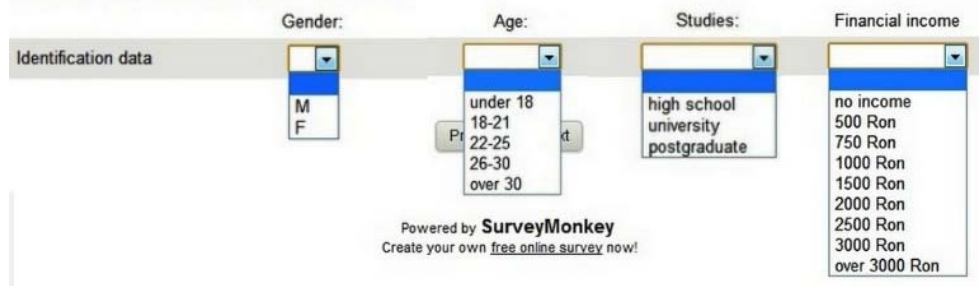
○ 0   ○ 1199 Ron   ○ 1499 Ron   ○ 2199 Ron   ○ 2499 Ron   ○ 3195 Ron

- Consumer Identification Data

Due to the limited number of question possible to ask available on the basic plan (which is free of charge) on the website used to create the questionnaire, the identification data questions were merged into one single question. Information regarding gender, age, studies and financial income were asked. The last information, about financial income will help to interpret the two previous questions that were just presented above. However it should be taken into consideration that below a certain age the respondents

might be supported financial by parents and the declaration of the income might to reflect their possibility of spending money.

8. Please chose the correct information:
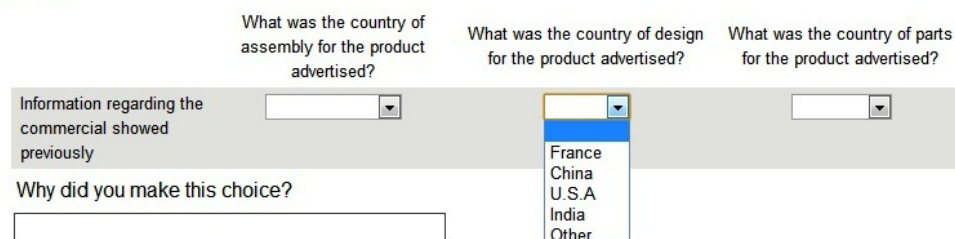
Identification data	Gender:	Age:	Studies:	Financial income
	M F	under 18 18-21 22-25 26-30 over 30	high school university postgraduate	no income 500 Ron 750 Ron 1000 Ron 1500 Ron 2000 Ron 2500 Ron 3000 Ron over 3000 Ron

Powered by **SurveyMonkey**
Create your own free online survey now!

- Importance of the countries of origin

Due to the same reasons that were discussed earlier, in this section three questions will be merged in one. The respondents will be asked to answer questions about the the country of assembly, country of design and country of component parts that were written in the commercial that they have seen in the second section of the questionnaire. The reasons for asking these questions are to see how important are this information in product evaluation and specifically in the evaluation of an unfamiliar hybrid product.

9. Please provide a check mark to indicate your recall of the information provided about product from the image above.
If you cannot remember you should state the country you presumed and give reason for your guess

	What was the country of assembly for the product advertised?	What was the country of design for the product advertised?	What was the country of parts for the product advertised?
Information regarding the commercial showed previously		France China U.S.A India Other	

Why did you make this choice?

4. Appendix 4

The Romanian version of the questionnaire, the questionnaire that was actually sent out to the respondents is displayed below.

Acesta este un studiu academic al carui scop este de a cerceta evaluarea unei reclame pentru un laptop. Va asiguram ca toate raspunsurile dumeavoastre vor fi tratate confidential si folosite doar in scopuri academice.

Va multumesc pentru participare!

1. Va rog dati note de la 1 la 7 tarilor din lista urmatoare cu privire la calitatea productiei de laptopuri (1 - foarte slaba, 7 - foarte buna):

	1	2	3	4	5	6	7
Japonia	○	○	○	○	○	○	○
Taiwan	○	○	○	○	○	○	○
U.S.A.	○	○	○	○	○	○	○
China	○	○	○	○	○	○	○
Coreea de Sud	○	○	○	○	○	○	○
Romania	○	○	○	○	○	○	○

2. Va rugam dati note de la 1 la 7 brandurilor din lista urmatoare cu privire la capabilitatile lor de producator de laptop-uri (1 - foarte bune, 7 - foarte slabe):

	1	2	3	4	5	6	7
Dell	○	○	○	○	○	○	○
Compaq	○	○	○	○	○	○	○
Apple	○	○	○	○	○	○	○
Acer	○	○	○	○	○	○	○
Serioux	○	○	○	○	○	○	○
Samsung	○	○	○	○	○	○	○
Sony	○	○	○	○	○	○	○
msi	○	○	○	○	○	○	○

3. Va rog selectati tara de provenienta pe care o considerati corespunzatoare urmatoarelor branduri:

	Japonia	Taiwan	U.S.A	China	Romania	Coreea de Sud	Nici una	Nu stiu
Dell	○	○	○	○	○	○	○	○
Compaq	○	○	○	○	○	○	○	○
Apple	○	○	○	○	○	○	○	○
Acer	○	○	○	○	○	○	○	○
Samsung	○	○	○	○	○	○	○	○
Sony	○	○	○	○	○	○	○	○
Msi	○	○	○	○	○	○	○	○
Serioux	○	○	○	○	○	○	○	○

Următorul

4. Evaluati produsul din imaginea de mai sus pe baza informatiile oferite, dand note de la 1 la 7:

	1	2	3	4	5	6	7
1 - prost / 7 - bun	○	○	○	○	○	○	○
1 - nesigur / 7 - sigur	○	○	○	○	○	○	○
1 - neestetic / 7 - dragut	○	○	○	○	○	○	○
1 - nedezirabil / 7 - dezirabil	○	○	○	○	○	○	○
1 - inferior / 7 - superior	○	○	○	○	○	○	○
1 - neplacut / 7 - placut	○	○	○	○	○	○	○
1 - nesatisfacator / 7 - satisfacator	○	○	○	○	○	○	○
1 - nefavorabil / 7 - favorabil	○	○	○	○	○	○	○
1 - nedispus sa-l cumpar / 7 - dispus sa-l cumpar	○	○	○	○	○	○	○

5. Evaluati valoare perceputa de dumneavoastra relativ la produsul mentionat bazandu-va pe informatiile oferite

	1	2	3	4	5	6	7
1 - valoare mica pentru pretul dat / 7 - valoare buna pentru pretul dat	○	○	○	○	○	○	○
1 - pret supraapreciat / 7 - pret subapreciat	○	○	○	○	○	○	○
1 - pret nefavorabil comparat cu brand-ul "Acer" similar in caracteristici / 7 - pret favorabil comparat cu brand-ul "Acer" similar in caracteristici	○	○	○	○	○	○	○
1 - pret nefavorabil comparat cu brand-ul "Apple" similar in caracteristici / 7 - pret favorabil comparat cu brand-ul "Apple" similar in caracteristici	○	○	○	○	○	○	○
1 - pret nefavorabil comparat cu brand-ul "Compaq" similar in caracteristici / 7 - pret favorabil comparat cu brand-ul "Compaq" similar in caracteristici	○	○	○	○	○	○	○
1 - pret nefavorabil comparat cu brand-ul "Dell" similar in caracteristici / 7 - pret favorabil comparat cu brand-ul "Dell" similar in caracteristici	○	○	○	○	○	○	○
1 - pret nefavorabil comparat cu brand-ul "Sony" similar in caracteristici / 7 - pret favorabil comparat cu brand-ul "Sony" similar in caracteristici	○	○	○	○	○	○	○
1 - pret nefavorabil comparat cu brand-ul "Samsung" similar in caracteristici / 7 - pret favorabil comparat cu brand-ul "Samsung" similar in caracteristici	○	○	○	○	○	○	○
1 - pret nefavorabil comparat cu brand-ul "msi" similar in caracteristici / 7 - pret favorabil comparat cu brand-ul "msi" similar in caracteristici	○	○	○	○	○	○	○
1 - pret nefavorabil comparat cu brand-ul "Serioux" similar in caracteristici / 7 - pret favorabil comparat cu brand-ul "Serioux" similar in caracteristici	○	○	○	○	○	○	○

6. Luand in considerare venitul dumneavoastra financiar si cunostintele dumneavoastra despre produs care este suma maxima ce ati fi dispus sa o platiti pentrua achizitiona acest produs?

○ 0   ○ 1000   ○ 1499   ○ 2000   ○ 2499   ○ 3000

○ Alta (vă rugăm să mentionati)

[   ]

7. Daca venitul dumneavoastra ar fi cu 500 Ron mai mare, care ar fi suma maxima pe care ati fi dispus sa o platiti ca sa achizionati acest produs?

○ 0   ○ 1199   ○ 1499   ○ 2199   ○ 2499   ○ 3195

○ Alta (vă rugăm să mentionati)

[   ]

[Anterior] [Următorul]

---

8. Va rog introduceti datele dumneavoastra de identificare:

	Gen:	Varsta:	Studii:	Venit finaciar:
Date de indentificare	[▼]	[▼]	[▼]	[▼]

[Anterior] [Următorul]

---

9. Va rog raspundeti la intrebarile de mai jos pentru a verifica perceptia dumneavoasta cu privire la informatia oferita despre produs.
In cazul in care nu va amintiti va rog specificati informatia care credeti ca este corecta si spuneti motivul pentru care credeti aceasta.

	Care a fost tara de asamblare pentru produsul din reclama?	Care a fost tara de design pentru produsul din reclama?	Care a fost tara de provenienta a partilor componentepentru produsul din reclama?
informatii cu privire la reclama afisata anterior	[▼]	[▼]	[▼]

De ce ati ales asta?

[   ]

[Anterior] [Efectuat]

5. **Appendix 5**

A POLLO

2.499 Ron

Noul laptop pentru bugetul tau!

15.6" Widescreen Display

Asamblare: India
Design: U.S.A
Parti componente din U.S.A.

Specificatii:

- Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)
- System Memory 4GB (DDR3 / 2GB x 2)
- HDD 500GB (5, 400rpm S-ATA)
- 15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss
- Graphic Processor nVidia GeForce GT 330M
- Audio Intel High Definition Sound
- Speaker 4W Stereo Speaker (2W x 2)
- Integrated Camera 1.3MP
- Wireless LAN 802.11bg/n* Compliant
- DVD±RW (±R DL) / DVD-RAM
- HDMI port
- Weight 2.80kg
- Battery 6 Cell Lithium-Ion battery (up to 3 hours)

APOLLO

2.499 Ron

Noul laptop pentru bugetul tau!

15.6" Widescreen Display

Asamblare: Romania
Design: India
Parti component din U.S.A.

Specificatii:

- Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)
- System Memory 4GB (DDR3 / 2GB x 2)
- HDD 500GB (5, 400rpm S-ATA)
- 15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss
- Graphic Processor nVidia GeForce GT 330M
- Audio Intel High Definition Sound
- Speaker 4W Stereo Speaker (2W x 2)
- Integrated Camera 1.3MP
- Wireless LAN 802.11bg/n* Compliant
- DVD±RW (±R DL) / DVD-RAM
- HDMI port
- Weight 2.80kg
- Battery 6 Cell Lithium-Ion battery (up to 3 hours)

AALBORG UNIVERSITET

APOLLO

2.499 Ron

Noul laptop pentru bugetul tau!

Specificatii:

- Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)
- System Memory 4GB (DDR3 / 2GB x 2)
- HDD 500GB (5, 400rpm S-ATA)
- 15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss
- Graphic Processor nVidia GeForce GT 330M
- Audio Intel High Definition Sound
- Speaker 4W Stereo Speaker (2W x 2)
- Integrated Camera 1.3MP
- Wireless LAN 802.11bg/n* Compliant
- DVD±RW (±R DL) / DVD-RAM
- HDMI port
- Weight 2.80kg
- Battery 6 Cell Lithium-Ion battery (up to 3 hours)

15.6" Widescreen Display

4GB Ram

500GB HDD

Design: India
Asamblare: Romania
Parti componente din U.S.A.

APOLLO

2.499 Ron

Noul laptop pentru bugetul tau!

Specificatii:

- Intel® Core™ i5-2540M Processor (3M Cache, 2.60 GHz)
- System Memory 4GB (DDR3 / 2GB x 2)
- HDD 500GB (5, 400rpm S-ATA)
- 15.6" Widescreen Display HD+ (1, 600 x 900) 16: 9 Gloss
- Graphic Processor nVidia GeForce GT 330M
- Audio Intel High Definition Sound
- Speaker 4W Stereo Speaker (2W x 2)
- Integrated Camera 1.3MP
- Wireless LAN 802.11bg/n* Compliant
- DVD±RW (±R DL) / DVD-RAM
- HDMI port
- Weight 2.80kg
- Battery 6 Cell Lithium-Ion battery (up to 3 hours)

15.6" Widescreen Display

intel inside™ CORE i5

Windows 7

4GB Ram

500GB HDD

Design: Romania
Asamblare: Romania
Parti componente U.S.A

6. Appendix 6

The result of the reliability test (Cronbach's Alpha test - SPSS)

Reliability

[DataSet2]

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	117	77.5
	Excluded[a]	34	22.5
	Total	151	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

| Cronbach's Alpha	N of Items
.847	50

7.   Appendix 7

The result of the comparison of the product from the image presented to the respondents in the questionnaire with other brands in terms of price for similar features and also the price that the respondents are willing to pay for the product is showed below.
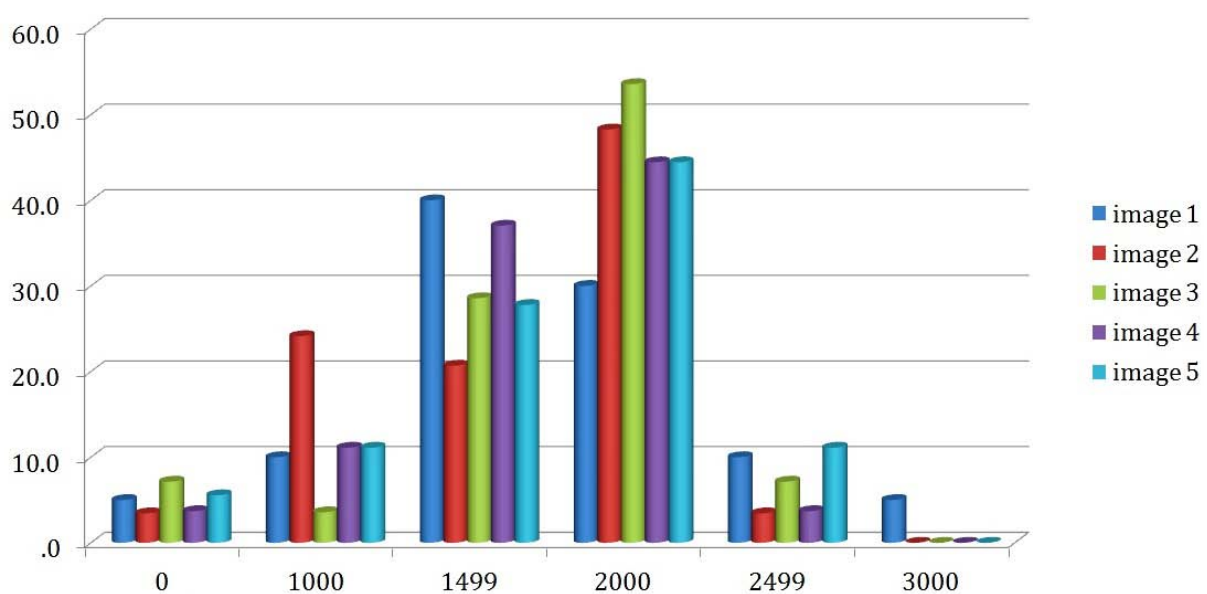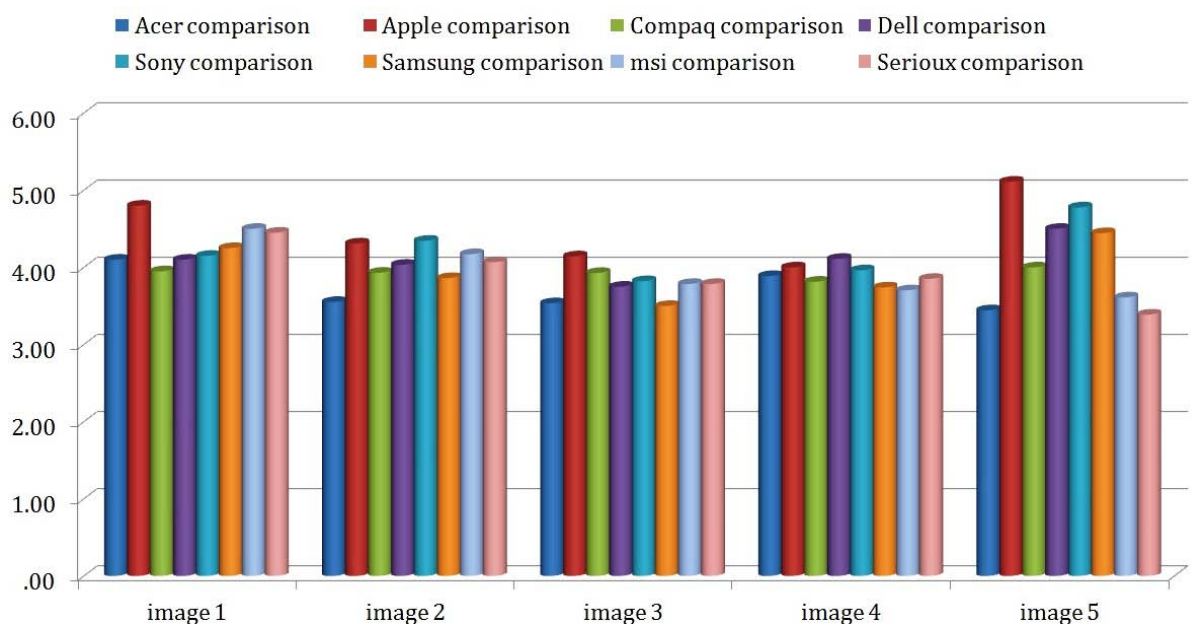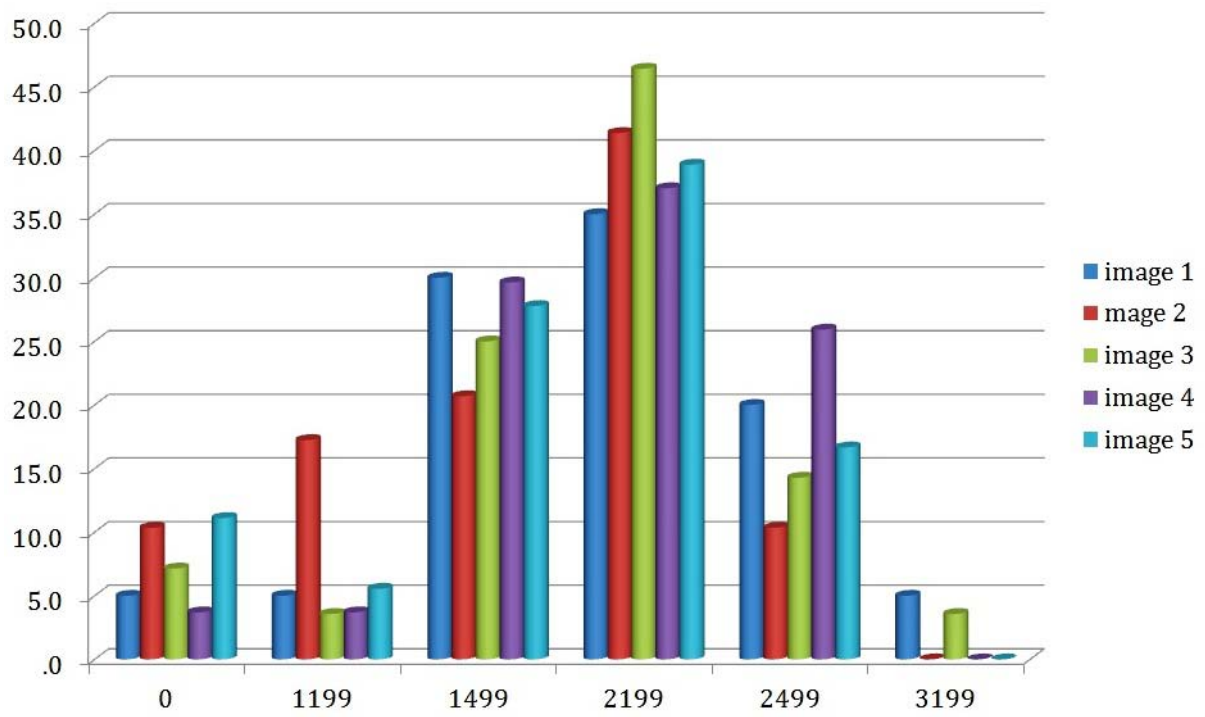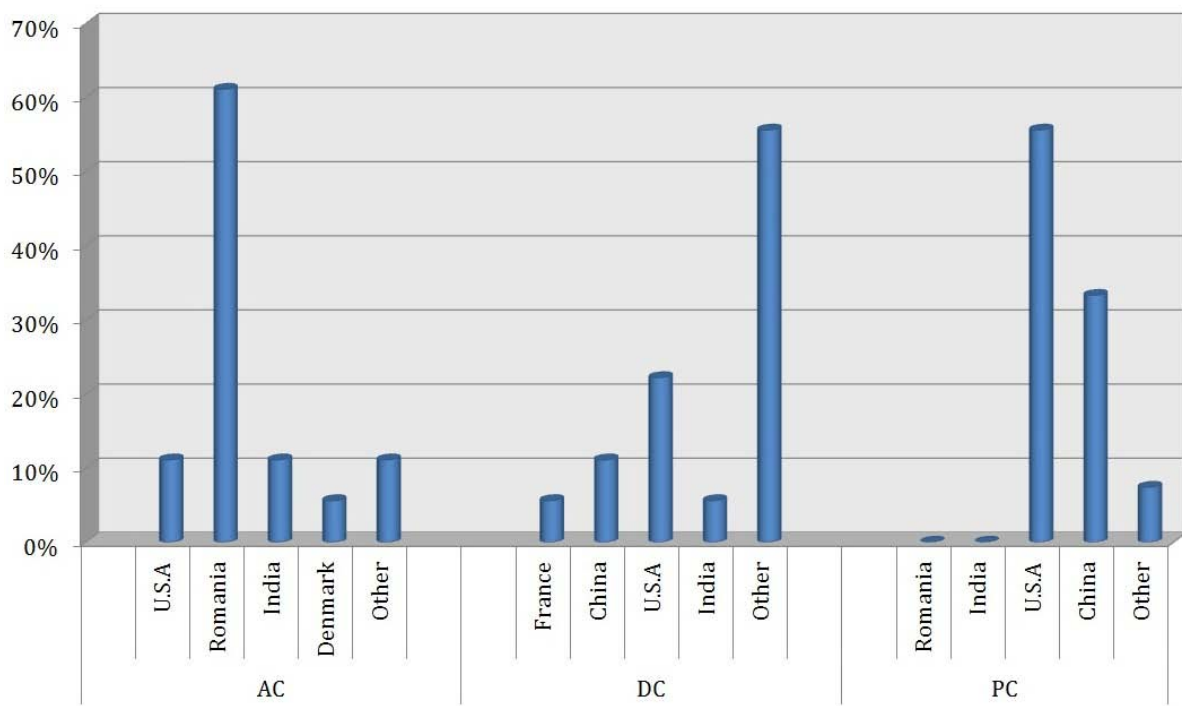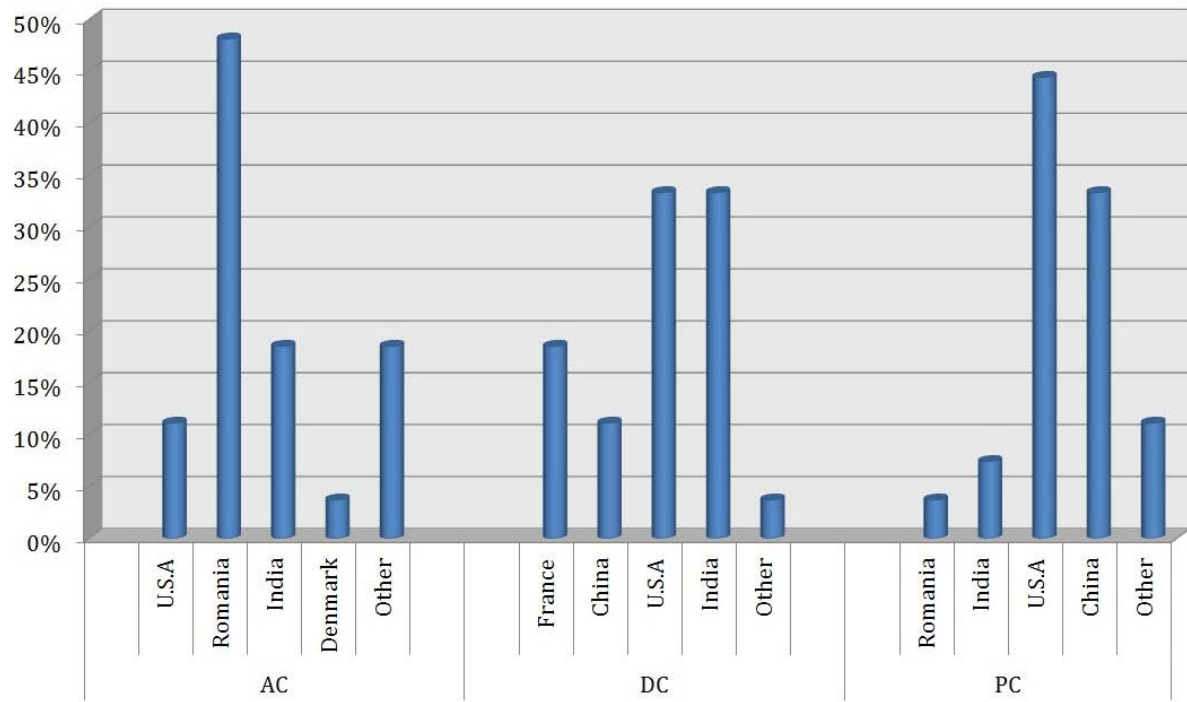
8.   Appendix 8

Tests if consumers remember the countries of origin from the image that was previously showed to them, if they really are paying attention to that information.
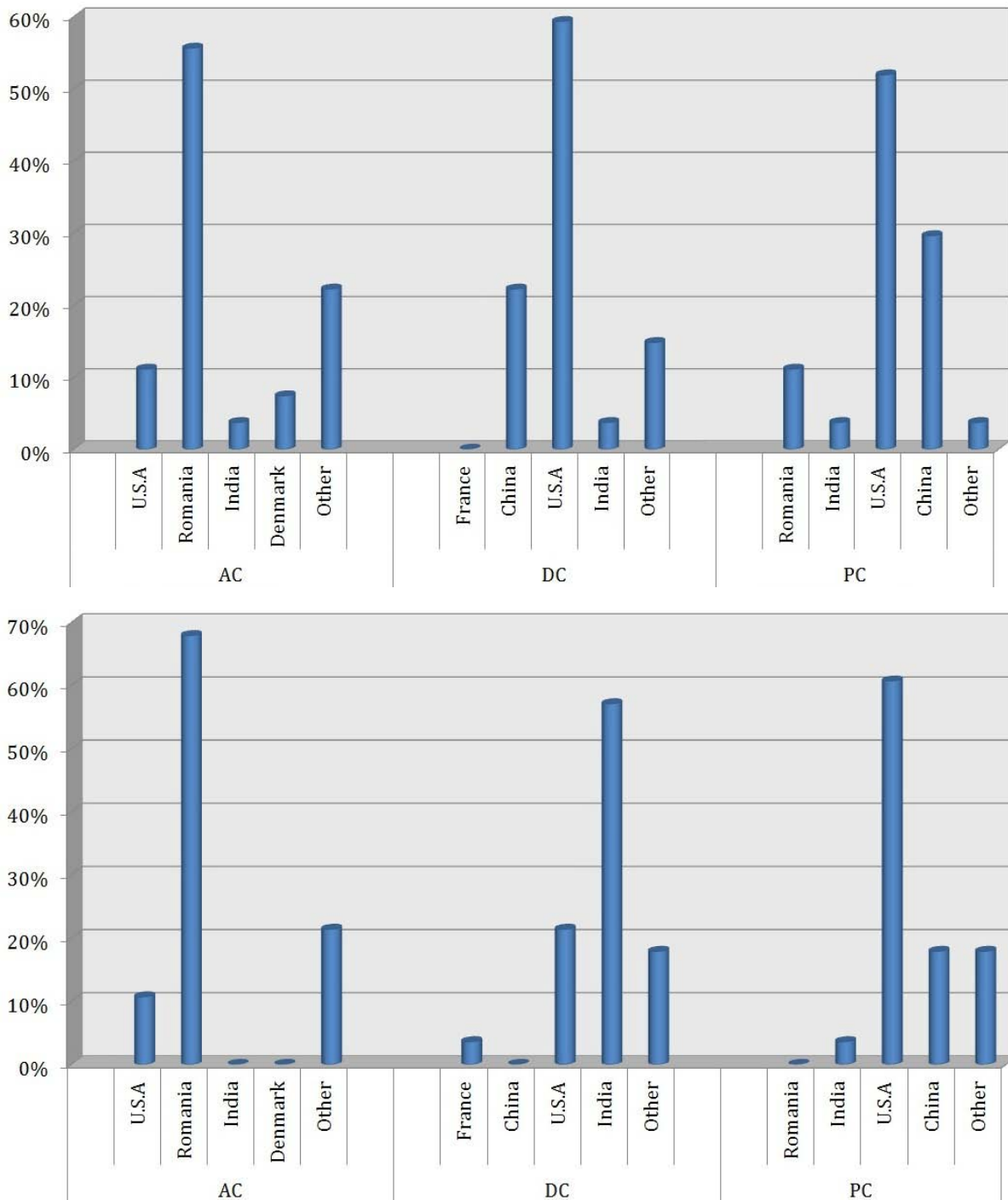
9. Appendix 9

The data gathered available in *.sav* format on the DVD below.