

Integrating new developments in country-of-origin research

Three manuscripts on the inclusion of new objects of evaluation in country-of-origin research

Introduction

Today, markets in both the business-to-business (B2B) and business-to-consumer (B2C) sectors have a global scope, and customers can choose to buy from a range of international and local providers. For companies active in the international business environment, it is of essential importance to know the basis on which their customers make purchasing decisions. This information can support their positioning within the competitive environment. In this context, research shows that customers' country-of-origin (COO) associations have been shown to play a salient role as characteristic that customers use when evaluating products. Customers intuitively transfer COO associations (evoked by, e.g., COO information on the product) to products coming from the respective countries and generate an evaluation of the product, referred to as the COO effect (e.g., Josiassen & Harzing, 2008; Magnusson & Westjohn, 2011; Saran & Gupta, 2012). The COO effect thus studies the stereotypical evaluation of objects such as products or companies.

This definition underlines the key role of objects of evaluation in COO research: COO-based evaluations depend on the object being evaluated. It is evident that investigating COO effects is only worthwhile for objects that are the focus of customer perception and evaluation. Accordingly, COO research is only relevant for theory and practice if it focuses on objects of evaluation that are relevant to customers. This implies that COO research is required to address the actual object of evaluation (i.e., the focus of customer attention) when studying COO effects. Consequently, when these objects change, COO research should consider and integrate the new objects to ensure that the field focuses on the relevant evaluation objects and thus to ensure the relevance of COO investigations. Until today, extant studies have typically used products as evaluation objects (e.g., Saran & Gupta, 2012; Schudey, Jensen, & Kraiczky, 2016; Verlegh & Steenkamp, 1999).

In the last years, however, marketing research and practice have seen some major developments: Today, the product is not the only object of evaluation anymore; but it has been complemented by additional objects of evaluation that customers include in their evaluation and ultimately in their purchasing decisions. In both B2B and B2C research, critical developments have contributed to a change of evaluation objects.

In the B2B field, the last decades' most important development concerning the objects of customer evaluation involves the shift from the product to the whole supplier company as evaluation objects (Schmitt & Van Biesebroeck, 2013). Customers today do not just view suppliers as pure vendors of products but rather consider them strategic partners (Goffin, Lemke, & Szwejczewski, 2006). Therefore, they do not just evaluate the supplier's product anymore but rather conduct an assessment of the whole supplier company (Fredriksson & Gadde, 2003). Thus, the object of evaluation in B2B has changed and now also includes the supplier company.

In B2C studies, the major trend concerning the evaluation object is the emergence of the service-dominant logic (SDL) which was introduced by Vargo and Lusch (2004). Since the year 2000 this has been the most cited article in the Journal of Marketing. The SDL postulates that services are the basis of economic exchange and proposes a shift from product- to service-centered considerations (Vargo & Lusch, 2004, 2008). The authors posit that value is not generated by the exchange of goods but by the usage of the latter. Further, value generation is a result of co-creation between customers and providers, who both provide certain resources. In particular, the provider brings in resources, such as products, or the advice-giving competence of salespeople, with which customers interact by integrating their own resources such as their knowledge and capabilities (Bruns & Jacob, 2014). This implies that the customer does not only consider the product but also other resources during the process of resource integration. Thus, the pure consideration of products as objects of evaluation has shifted, and consumers today also evaluate other provider resources (Vargo & Lusch, 2008).

Thus, in both B2B and B2C research, the objects of customer evaluation have shifted from the product as typical object to other objects that are relevant for customers today, too. For COO research this implies that these new objects of evaluation should be included. However, with regard to the adoption of these recent changes, COO research shows some major research gaps. Thus far, COO research has first and foremost focused on investigating products and does only to a limited extent include other objects of evaluation (see manuscripts 1–3). In particular, extant COO research in the B2B area does not provide a conceptual and empirical basis to include the supplier as an object of evaluation (Andersen & Chao, 2003; Insch, 2003; Roth & Diamantopoulos, 2009). In addition, in COO research in the B2C area salespeople as a provider resource have not been addressed so far (Aruan & Crouch, 2016).

This dissertation therefore addresses two objectives: First, it includes the supplier company as new object of evaluation. It lays the conceptual foundation and provides empirical evidence to enable future COO research in B2B to take into account this new object. Second, it identifies salespeople as a provider resource as a new object of evaluation in COO research in the B2C context.

To address these objectives, the three manuscripts included herein address these gaps and provide several contributions. First, a qualitative study uncovers stereotypical criteria for the supplier as a new evaluation object that is the basis for COO-based evaluations. Such criteria are referred to as stereotypical supplier evaluation criteria (SSEC). Second, a measurement instrument for these new criteria is developed which enables future COO research to measure COO effects more appropriately with regard to the new object. The third study shows the existence of the COO effect for salespeople as a provider resource in B2C. The inclusion of such a resource perspective is new to COO research. For an overview of the abstracts of paper one, two, and three please refer to the documents of abstracts below.

Abstract paper 1: Stereotypical supplier evaluation criteria as inferred from country-of-origin information

In business-to-business markets, customers can use a supplier's perceived country of origin as a cue in assessing that supplier; this inference making results in stereotypical supplier evaluation criteria which are the basis for country-of-origin evaluations. To date, these criteria have not been established properly by an empirical study. Using a qualitative approach, the current study uncovers a fuller picture of the stereotypical criteria behind this inference. Using the repertory grid method, the authors interview 30 purchasing agents from car manufacturers in three European countries. Through this empirical study, they outline a system of nine categories that are conceptually examined and result in the conclusion that stereotypical supplier evaluation criteria reflect a customer-perceived interpretation of suppliers' organizational competences.

Abstract paper 2: Measuring country-of-origin effects in B2B markets and developing supplier country-of-origin profiles

When assessing a foreign supplier, customers engaging in cross-border business-to-business markets often use country-of-origin (COO) information about the supplier to assess the supplier's characteristics. Although COO is a pertinent criterion in supplier assessment, thus far, no study has provided or applied a reliable and valid instrument for measuring COO effects in the business-to-business sector. This effect is based on specific criteria that are applied when inferring COO evaluations; thus, a measurement instrument should reflect these criteria. Using a system of nine categories consisting of such criteria, the authors generate a measurement and submit it to a scale validation procedure. In addition, they use the data to draw supplier COO profiles according to the respective criteria.

Abstract paper 2: Do country person image and country training image of the salesperson influence perception of supplementary services?

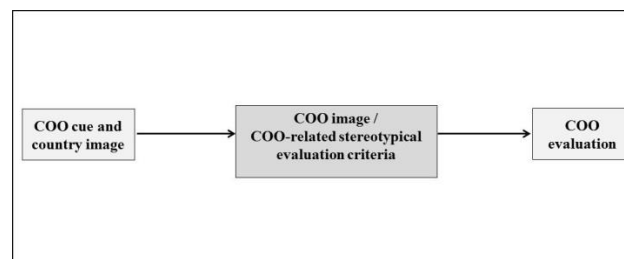
A study in the fashion retailing industry

Much research indicates that the country of origin (COO) of products and services significantly influences consumer evaluations. However, for supplementary services that are offered to enhance a product's value, knowledge about COO effects is still limited. We use the context of fashion advisory, a supplementary service, and assess the impact of French, German, and Italian fashion advisers' origins on customers' perception of their competence, which is a key criterion for customers choosing a fashion adviser and whether to ultimately close a deal. In our study design, the service provider's COO has two salesperson-related dimensions: the country of birth, which we hypothesise to have a direct effect on the adviser's perceived competences, and the country of training, which may interact with the aforementioned effect. Results show that the country of birth influences perceived competences; however, this effect does not interact with country of training.

Conclusion

Figure 4: Conceptual COO framework and allocation of research contribution

(based on Magnusson & Westjohn, 2011)



The contribution of this dissertation can be classified with regard to the three research subfields as shown in Figure 4. Although the main contribution of the present work lies within the second subfield (COO image / COO-related stereotypical supplier evaluation criteria), there are also conclusions concerning the subfields one (COO cue and country image) and three (COO evaluations).

The first subfield addresses the investigation of COO-related cues and the country image that result from the COO cue's association. A COO cue can take many different forms such as signs, symbols, the spelling and sound of a name, or, anything else that reminds the perceiver of a certain country, i.e. which stimulates a certain country image. In addition to the COO cue there are also other cues that could be used by the perceiver to make inferences on the evaluation of a certain object. For instance, the brand, or the price of an evaluation object may also be used as cues (Aichner, 2014). The COO cue is thus just one out of several cues and may interact with other cues. In this vein, an additional area for future research would be to investigate these cue interactions. For instance, how does the image resulting from a brand cue interact with the COO image? Which cue is more important to customers in which contexts?

As presented in chapter two the second subfield of COO research of Figure 4 addresses the transfer of the country image that the perceiver evoked on the respective evaluation object that is currently under consideration. The main contribution of the present work lies within this subfield. Manuscript one uncovered SSEC which can also be considered as dimensions of the COO image by an inductive approach. Using a quantitative approach, manuscript two then empirically validates these criteria resulting in a measurement instrument. The result is a broad list that reflects supplier competences. As discussed in the first manuscript, the list also reflects objective criteria (see discussion of manuscript one). Therefore, it cannot only be applied when measuring a stereotypical image but may also be used when measuring perceived supplier competences in other contexts that are not related to COO such as when examining the corporate image of suppliers.

The third COO research subfield addresses COO-based evaluation. In particular, on the basis of research on the COO image as resulting from subfield two this stream investigates the influence on a range of different outcome variables such as purchasing intention or risk perception (Magnusson & Westjohn, 2011). With regard to this subfield, the present work also yielded an outcome. In the third study, the managerial implication suggested that retailers could consider allocation their human

resources in a way that the CPI of the salesperson fits the desired competences pattern of the retailer, i.e. retailers would use origin information as hiring criteria. However, this could induce a discussion on ethical aspects as origin-related employee criteria may result in discrimination of certain employees. Therefore, the implications of the third manuscript undoubtedly have to be considered with caution. Of course it is of great importance to prevent the abuse of such origin information. Despite this caution, however, it is important for retailers to have insights in CPI and understand the effect that it may have on competence evaluations of salespersons. They may then be better able to find other ways than CPI to attain the desired perception. For instance, retailers could use other cues in the surrounding of the store (e.g. store layout) to stimulate competence perception.

To conclude, this dissertation integrates two new evaluation objects, supplier companies and salespersons, which have been identified to be of great relevance in marketing theory and practice. As described in chapter two, this is due to two major shifts of the evaluation objects in B2B and B2C marketing. The results of this work yield conclusions on each of the subfields of COO research in Figure 4 and enable COO research to address these new evaluation objects in their future investigation activities.