

COO-based Strategies - a Proposition of a Contextual Analysis

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Abstract:

The perceived country of origin (COO) of the product influences consumers' attitude to it (Peterson, Jolibert 1995; Verlegh, Steenkamp 1999; Pharr 2005). In a globalising market, origin is rather a quality of a brand, not of a product, and as such can be based on the grounds of communication (Pharr 2005; Magnusson, Westjohn, Zdravkovic 2011). The research covered herein aims to explore the ways in which country of origin is implanted in brand positioning using means available in advertising.

An analysis of a representative sample of TV commercials broadcast in Poland in the period 1998-2017 has made it possible to quantify the utilisation of different strategies and measures used to communicate COO and other affiliations serving a potentially similar purpose. It has also pointed to a duality of the construct of country of origin in advertising. This construct is composed on the one hand of a message, and on the other – of elements of a communication code that carries the message.

Keywords: country of origin (COO), brand positioning, advertising

Track: Advertising & Marketing Communications

1. Research Problem Overview

The issues related to the impact of country of origin (COO) on consumer attitudes are a broad and an increasingly growing research area. The SCOPUS literature database includes at present (November 2018) almost two thousand papers on the matter of country of origin in the field of Business, Management and Accounting, with nearly 10% published in recent year only. As early as in 1987, Tan and Farley named product country of origin the most studied aspect of international consumer behaviour (Tan, Farley 1987). Almost a decade later, Peterson and Jolibert, based on an extensive meta-analysis of the existing research, proved that the impact of a product's country of origin on how consumers perceive it and what they think about it became one of the most examined phenomena in literature devoted to international business, marketing, and consumer behaviour (Peterson, Jolibert 1995).

Many researchers have proven that the COO of a product affects consumer's perception of the product, their opinion about it, their willingness to pay for it, and - indirectly - also their purchase intention (Peterson, Jolibert 1995; Verlegh, Steenkamp 1999; Pharr 2005). A number of factors enhancing the COO effects has been listed as well, including: the existing national stereotypes, the liking and disliking towards particular nations, the culture type, the demographic profile of the target group, the level of consumer ethnocentrism or the level of economic development (Peterson, Jolibert 1995; Verlegh, Steenkamp 1999; Pharr 2005). All this creates a country context which makes consumer more or less prone to COO effects. Product category is yet another plane of the said factors. Researchers have shown that COO effects are related to a specific product category, and that a given country of origin may have a very different impact within various product categories (Adina, Gabriela, Roxana-Denisa 2015).

In 2005, Samiee, Shimp, and Sharma published the findings of their research, which showed that consumers were able to recognise the COO of a great majority of brands popular in the US market (Samiee, Shimp, Sharma 2005). Pharr, in turn, has pointed to the ongoing transformations related to globalisation, market internationalisation, and the increasing complexity of manufacturing processes, all forcing researchers to think if the concept of COO remains still relevant (Pharr 2005).

Actually, since 1996, when different labels for the country of origin of products were first introduced in the US, researchers have been monitoring the effects of "brand country",

“country of headquarters”, “brand origin country”, “country of production”, “country of parts”, “country of assembly” or “country of corporate ownership” (Pharr 2005). None of these aspects of origin has proven to be promising enough, though.

Zhou, Yang, and Hui (2010) followed a different path, coming up with the concept of “confidence in brand origin”. Samiee et al. (2005), in turn, put forward the concept of brand origin recognition accuracy (BORA). Their proposition was taken up by many continuators and featured, among others, in frequently cited works by Wang and Yan (2008) or Usunier (2011). The concept of BORA, claiming that each brand should be attributed with objective, unambiguous origin, has been contrasted with concepts based on subjective perception of origin (Thakor, Lavack 2003). In a similar vein, Alden, Steenkamp, and Batra (1999), put forward the well-adopted concept of consumer culture positioning. The era of the search for an alternative concept ended symbolically in 2011, when Magnusson, Westjohn, and Zdravkovic (2011) made an open statement that in a globalised world, the perception of a brand was more important than the “made in” label, thus sealing the shift of the paradigm in the area of interest in the role played by COO in marketing from objectivist to subjectivist.

The said shift in the perception of the role of COO carries with it two major consequences. The country of origin in such a perspective is a quality external to and separate from the product, like, for instance, the price or the name, which can be modified without interfering with product qualities (Pharr 2005). We are dealing therefore not as much with determining or recognising the country of origin as with establishing it in the context of communication. This entails also a viewpoint shift from a product’s country of origin, or product-country image (Papadopoulos, Heslop 2014) to brand origin (Samiee et al. 2005) or, for example, perceived brand foreignness (Batra, Ramaswamy, Alden, Steenkamp, Ramachander 2000). Here, origin becomes a potentially significant element of brand positioning, which can be developed and asserted through - among others - advertising.

There is a range of works analysing the impact of particular elements of advertising message in the context of COO, including the language in use and the linguistic aspects of product name (Hornikx, van Meurs 2017), the advertising claims (Verlegh, Steenkamp, Meulenberg 2005), and a number of studies on featuring actors and figures evoking associations with a particular country in adverts (Charles, Nardi 2015). Furthermore, Aichner (2014) mentioned a range of other elements that product manufacturers tend to use in executing brand positioning strategies based on COO, including “made in” labelling, use of national flags and symbols, featuring landscapes of buildings associated with a given COO, or

simply making references to a given country of origin or its inhabitants. Source literature, apart from offering a review of the already mentioned communication elements, provides us also with a classification of strategies with regard to country of origin. Papadopoulos and Heslop (2014) name five main categories of such strategies: 1. Use of information about the country of origin in brand positioning, 2. Global brand positioning, 3. Hybrid identification, 4. Regional origin identification, and 5. “Borrowed” origin. Yet, the body of research conducted so far does not offer a comprehensive analysis of the manner in which country of origin is implanted into brand positioning using the available means of advertising. And this is the objective of the research covered herein.

2. Research Methodology

In order to achieve the set research objective, a representative sample of TV commercials broadcast in Polish-language channels in the period 1998-2017 was examined. An extensive survey frame provided by AGB Nielsen Media Research was used to draw a sample of $n=1,866$ advertising spots in yearly bundles including at least $n=90$ spots. This gave in total over 13 hours of audio-visual content for analysis. Each spot was watched, and their content and the applied elements of positioning strategy based on COO were encoded. The result was a database that made it possible to make descriptive analyses of quantificational nature and within the time frame of 1998-2017 as subject to research. It is important to stress that the presented research is pioneering. Although the resources collected in AGB Nielsen Media Research’s spot base are a highly valuable source documenting the marketing activities pursued in Poland over the last two decades, there has been no scientific paper written on its basis yet.

Therefore, in the adopted research model, the time perspective is the most important explanatory variable; the diversity of the remaining independent variables has been limited. The research focuses on one country (Poland) and includes one product category (food products). The following part of the article discusses the preliminary findings of the conducted research and the conclusions drawn therefrom, the planned further analysis, the limitations, and the desired directions for further research.

3. Preliminary research findings

3.1 Origin vs affiliation

29% of food commercials broadcast in Poland in 1998-2017 feature some kind of geographic affiliation, but only of them 12% implies that the affiliation refers to origin. A formal solution taken advantage of by manufacturers most often, featured in 22% of the spots, is setting the commercial in a clear context of a given country, without stating explicitly that it is the country of origin. This is what e.g. a Polish brand named Mokate does, offering instant cappuccino and setting its commercials in Italian towns. The third type of communication strategies seen applied in 5% of the analysed spots is based on recognition expressed by a given nation or a given country. An example is the Tyskie beer's campaign based on each new spot highlighting the recognition expressed by different nations associated with high culture of beer brewing.

The presented findings offer significant implications for further research. This research should concentrate not only on origin but also on other forms of geographic affiliations used by brands in their positioning activity.

3.2 Region as a metonymy for the country

A third of all geographic affiliations recorded in the sample refers not to a country but to other geographic units. These are usually regions with characteristic natural landscapes, mostly mountains – the Tatras or the Beskids, but also the Alps. An object of affiliation may also be a specific city. The analysed sample featured, among others, Warsaw, Kraków, Venice, and New York.

Both the geographic locations and the cities can be considered metonymic signals of affiliation to a given country. Stressing having one's roots in the Podhale (Sub-Tatra) region or Kraków is a clear statement of Polish origin at the same time. Yet, 17% of affiliations making references to other geographic units than a country can hardly be associated with a specific country. They convey a generalised signal of "foreignness", promoting the already mentioned concept of brand perceived foreignness (Batra et al. 2000).

Given the metonymic communication content of regional affiliations, it is reasonable to take them into consideration in the future research on the phenomena related to country of origin.

3.3 Linguistic structure of the name as a signal of origin

Brand name has been treated in this research as a signal separate from other elements indicating the origin or another type of affiliation. The focus was on Polish names including words listed in a dictionary of the Polish language, names of Polish villages, towns, and cities, and neologisms formed according to word formation principles applied in the Polish language.

76% of brands with a Polish name do not communicate its Polish origin in any other way than the name. In isolated cases it even occurs that brands with a typical Polish name imply foreign origin, like in the case of Tymbark (beverages brand, a name of an actual town in Poland), where the brand implies that its orange juice is produced in Brazil, made from Brazilian oranges. Only 24% of brands with a Polish name supports communicating its Polish origin using other stylistic measures, using it consciously as an element of positioning. At the same time, 23% of brands communicating their Polish 'roots' do not have a Polish name.

The role of the name in brand positioning as compared to other messages, including those mutually contradictory, deserves to be explored in more detail.

3.4 The scale of the phenomenon

Food brand positioning strategies referring to geographic affiliations occur at a variable frequency, ranging from 22% to 42% of all commercials broadcast in a given year, with the rate remaining continuously at above 30% since 2014.

Further analyses need to look into the depicted dynamics in the context of fluctuation of the rates describing the factors affecting the impact of COO effects as identified in source literature (including the level of ethnocentrism, economic growth rates, and demography).

3.5 Dominant affiliation corresponding to the logic of consumer ethnocentrism

When it comes to communication of brands present in the Polish market, food manufacturers underline the affiliation to Poland twice as often (22% of spots) as to any other country (11%). The proportion of spots emphasising a positioning referring to Polishness to spots stressing foreignness differs for particular years. Communication involving a reference to Polishness ranges from 108% to 386% compared to communication based on references to foreignness, reaching 89% only in 2009, which means that the year was dominated by foreignness-oriented positioning.

Like in the case of the analysis of variability of the scale of the phenomenon over time, it is necessary to examine the variability of the proportions between the said two types of positioning to a greater extent.

3.6 Two components of a COO-based communication strategy

The analysis of the spots included in the research has made it possible to distinguish two main aspects based on which COO-based strategies are designed:

1. The message, meaning the information communicated directly to consumers. The research has made it possible to isolate a range of alternative messages concerning origin. In most cases, i.e. in 54% of spots featuring a geographic affiliation, the message is not formulated clearly and only alludes to a specific country. The remaining cases take advantage of messages focusing on national identity (“Polish brand”) and speaking of recognition in a given country (“the tonic bought most often in Poland”) just as often. The next most frequently used type of messages are messages speaking of the origin of ingredients, of the brand and the country’s shared history (“in Polish kitchens since 1959”), of the involvement in a given country as an investor (“the official sponsor of Poland’s national football team”), of the origin of the recipe (“these are recipes written down in Sierpiec, words of wisdom to be followed by brewers”), of the past of a given place, of the recognition among local institutions, and lastly – of the place of manufacture. The analysis shows a multitude of ways in which messages can be used, with only a part of them referring to facts related to origin, and some developing affiliations following other ideas.
2. The communication code used to communicate the abovementioned message.

28% of commercials featuring geographic affiliations communicate the message explicitly. However, the message is seen communicated more often metaphorically through a model/central figure associated clearly with a given country (a celebrity from a given country, a character wearing a characteristic national costume, or figures introducing themselves and naming the country they come from). Another common element of communication code is attributes evoking clear associations with a given country, such as specific elements of attire or interior design, characteristic kitchenware and furniture or appliances. Explicit information is just as frequent as the use of landscapes typical of a given place, featuring sometimes easily identifiable elements (such as the Palace of Culture and Science in a panorama of a city, which makes it clear that this city is Warsaw). Less frequently used elements include music, the sound of the name (although the product name is not always emphasised as an element of the code communicating the product's origin), national symbols or characteristic animals.

The degree to which particular messages are associated with particular code elements shall be analysed in more depth. But an important suggestion for further research related to the impact of COO effects can be made even now: when manipulating the message speaking of the country of origin, it is necessary to take both aspects (the message and the code) into account and keep the multitude of the possible messages in mind at the same time.

4. Implications and the desired directions for further research

The specific implications drawn from the presented research have been offered with the discussion of particular conclusions. Yet, it seems reasonable to consider also a general implication related to the value of the research on manufacturers' strategies of communicating the country of origin. The perspective in question is much less popular among researchers than the consumer perspective, and yet the presented findings prove that it may offer some invaluable insights, which can contribute to more effective studies of effects on consumers as well.

In the light of the range of the works published so far, which is limited in terms of geography and categories, it appears justified to continue the exploration across other product

categories and markets. A comparison of the findings obtained as a result will help better explain the factors determining the adoption of COO strategies among product manufacturers.

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