

Sustainability and Consumers' Willingness To Pay: Does Country-Of-Origin Matter?

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Abstract

Despite the relevance of sustainability to consumers, companies and countries, empirical evidence on its interaction with country-of-origin (COO) is still limited, particularly considering consumers' price responses. This paper examines the impact of sustainability labels and country-of-origin (COO) on consumers' willingness to pay (WTP) for a brand. Based on two experimental studies with apparel as the focal product category (Study 1: T-shirts; Study 2: Sneakers), we find that differences in country image favorability do not always translate into significant differences in consumers' WTP. While a positive effect of COO favorability on WTP is found in Study 1, this effect is not replicated in Study 2. However, in both studies, we observe that a sustainability label increases consumers' WTP for the less favorable COO but does not affect consumers' WTP for the more favorable COO. Implications for theory and practice are considered and suggestions for future research made.

Subject Areas: *Consumer Behaviour, Cross-cultural and International Marketing*

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