Influences of country-of-origin image and country norms on purchase intentions: perceptions of Spanish olive oil in Vietnam

Le Viet Trinh Pham
Schmalkalden University of Applied Sciences
Raquel Tarrazona
Universidad de Jaén
Sebastian Ullrich
Schmalkalden University of Applied Sciences

Cite as:
Pham Le Viet Trinh, Tarrazona Raquel, Ullrich Sebastian (2023), Influences of country-of-origin image and country norms on purchase intentions: perceptions of Spanish olive oil in Vietnam. *Proceedings of the European Marketing Academy*, 52nd, (114424)

Paper from the 52nd Annual EMAC Conference, Odense/Denmark, May 23-26, 2023

Influences of country-of-origin image and country norms on purchase intentions: perceptions of Spanish olive oil in Vietnam

Abstract:

In the era of globalisation, the country-of-origin image plays a key role in product selection. While there is much research on country of origin, there are significant research gaps relating to developing countries. This article focuses on the product category of olive oil from Spain, which is consumed sparingly as a dietary supplement in Vietnam due to its high price. Therefore, building on previous research with cognitive and affective aspects, the effects of subjective country norms are also examined. The data are analysed using a structural equation model. The results of the study show that cognitive and affective country image, general product-country image as well as general product image influence Vietnamese customers' purchase intentions regarding Spanish olive oil. This is also true of the new variable country norm which showed the greatest influence.

Keywords: country-of-origin, country norms, purchase intentions

Track: International Marketing & Marketing in Emerging Countries

1. Introduction

Country-of-origin (CoO) offers international customers additional information on products exported, designed, or branded by a country or region. Research shows that CoO influences purchase decisions (Eroglu & Machleit, 1989; Li, Wang, Jiang, Barnes, & Zhang, 2014). CoO research has explored in particular attitudes towards durable products (Han, 1989). CoO research on fast-moving consumer goods such as food and beverages is still limited, especially on traditional, iconic products such as olive oil. According to Dekhili, Sirieix, & Cohen (2011), consumers in countries where olive oil is not produced value indications such as the CoO or sensory cues. Further, consumers are increasingly interested in the origin of olive oil (Jiménez-Guerrero, Gázquez-Abad, Mondéjar-Jiménez, & Huertas-García, 2012). In a literature review, Jiménez-Guerrero et al. (2012) show that cultural aspects affect social norms, consumer evaluation, and purchase decisions, especially for culturally rich products like olive oil. They show large differences in the factors relevant to consumers from olive oil-producing countries, where olive oil is a traditional food, and from non-producing countries, where it is considered a product that leads to good health and long life. Chrysochou, Tiganis, Trigui, & Grunert (2022) show that type, price, prior experience, and CoO are important product attributes in Denmark, France, Tunisia, and the United States, while packaging, label design, and brands play only a minor role.

This paper builds on a model of Li et al. (2014), extends it with country norm (Fig. 1), and uses a product category – olive oil from Spain – which is not too commonly used yet in a developing country like Vietnam. While the GDP per capita in Vietnam was less than $3,700 in 2021 (World Bank, 2021), Vietnamese consumers are willing to buy healthy products. Due to its high cost, however, olive oil is used not as food, but as a dietary supplement. Therefore, country norm could be a crucial factor in extending the model.

2. Conceptual Development

Research shows that a country's image includes both cognitive and emotional associations (Roth & Diamantopoulos, 2009). Cognitive country image influences consumers' product quality evaluations (Allred, Chakraborty, & Miller, 2000; Verlegh & Steenkamp, 1999), while affective country image influences the emotional reactions to that country (Laroche, Papadopoulos, Heslop, & Bergeron, 2005). Consumers often evaluate cognitive signals to form beliefs first, and then use these beliefs to form their country sentiments

(Fishbein & Ajzen, 1975). Most research on cognition and affection focuses on the effects on the product image and purchase intention (Knight & Calantone, 2000). Positive rational factors influence affective factors positively (Fishbein & Ajzen, 1975). This leads to Hypothesis 1:

H1: Cognitive country image influences the affective country image positively.

General product image refers to customers' beliefs about a product's characteristics, such as quality and reliability (Li et al., 2014), while category product image focuses on a specific product category of a certain country – in this case, olive oil from Spain. Knight and Catalone (2000) agree that the country's image improves the product-country image, while Laroche et al. (2005) show how country images affect product evaluations. Wang, Li, Barnes, and Ahn (2012) support the positive influence of both cognitive and emotional country images on product images. Therefore, it is proposed:

H2a: Cognitive country image positively influences the general product-country image.

H2b: Affective country image positively influences the general product-country image.

Roth and Romeo (1992) aver that the general product-country image influences the category product image positively if they fit together. Li et al. (2014) support that the cognitive country image influences the overall product image and the category product image.

H2c: General product country image positively influences the category product image.

Research shows a causal link between general product-country image and purchase intentions (Philips et al., 2013). Li et al. (2014) support the influence of category product image on purchase intentions.

H3a: General country-product image positively influences purchase intentions.

H3b: Category product image positively influences purchase intentions.

Customers' purchase intentions are further influenced by the emotional assessment of a country. Laroche et al. (2005) find that emotional country image influences purchase intention more than the product image. When consumers are unfamiliar with a country's products, the country image can invoke a halo effect, from which consumers derive their product evaluation (Han, 1989).

H3c: Affective country image positively influences purchase intentions.

Extending the model of Li et al. (2014), the country norm is regarded as an additional variable that stands for a subjective norm regarding a country (Roth & Diamantopoulos, 2009). In this paper, the country norm is operationalised with world-mindedness and cultural openness. World-minded people see themselves as global citizens. Culture-seekers are culturally open. Rawwas and Wuehrer (1996) find that globally oriented Austrians consider

foreign products to be of higher quality and are more likely to buy them. Therefore, besides the country's image, personal country norms may influence a consumer's purchase decision (Verlegh, 2001).

H4: Country norm has positive influences on purchase intention.

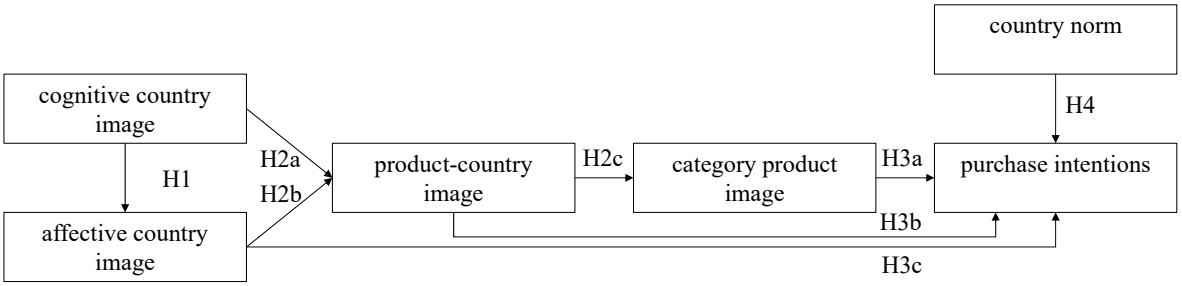

Figure 1. Conceptual framework

3. Methodology

The effects of CoO were analysed with an online questionnaire about Spanish olive oil in the developing country of Vietnam. A convenience sample of 268 Vietnamese participants was collected by email and social networks during the summer of 2022. Likert scales (5 levels) were developed based on previous research and adjusted to the needs of the study, viz., cognitive and affective country image (CCI and ACI: Verlegh, 2001; Knight & Calantone, 2000; Beerli & Martin, 2004; Laroche et al., 2005; Campo & Alvarez, 2010; Wang et al., 2012; Li et al., 2014), general product-country image (GPCI: Roth & Romeo, 1992; Wang et al., 2012; Li et al., 2014), category product image (CPI: Roth & Romeo, 1992; Häubl, 1996), country norms (CN: Yoon, Cannon, & Yaprak, 1996; Rawwas & Wuehrer, 1996), and purchase intentions (PI: Li et al., 2014). All the scales were translated into Vietnamese.

4. Results

Participants of different ages took part in the study (18-25 yrs: 25.0%, 25-35: 33.2%, 35-45: 28.0%, and >45: 13.8%), with an even gender distribution (female: 55.9%, male: 44.0%). Most respondents (70%) earn more than 15 million Vietnamese Đồng (~580€) monthly. Therefore, they can afford imported products like olive oil. Over 90% of the research participants had a bachelor's or master's degree, while 81.7% of them had used Spanish products earlier.

All the scales had a Cronbach's α of at least .8. Then, an exploratory factor analysis led to the removal of three non-qualifying items (cognitive country image: "Spain actively participates in international affairs", and "Spain is politically stable" based on loading factors <.3 and, after removing these, dropping "Spain has a high standard of living" as a distinct indicator). A confirmatory factor analysis (CFA) was conducted to pre-measure the univariate, multivariate, convergent, and discriminant values of the study's scales. CFA was used with the MLE (Maximum Likelihood Estimation) approach to determine whether the measurement model and scales satisfy the criteria. Confirmatory factor analysis shows indices (CMIN/df=2.202, CFI=.873, TLI=.861, and RMSEA=.067) indicating that the model fits the input data (Fig. 2).

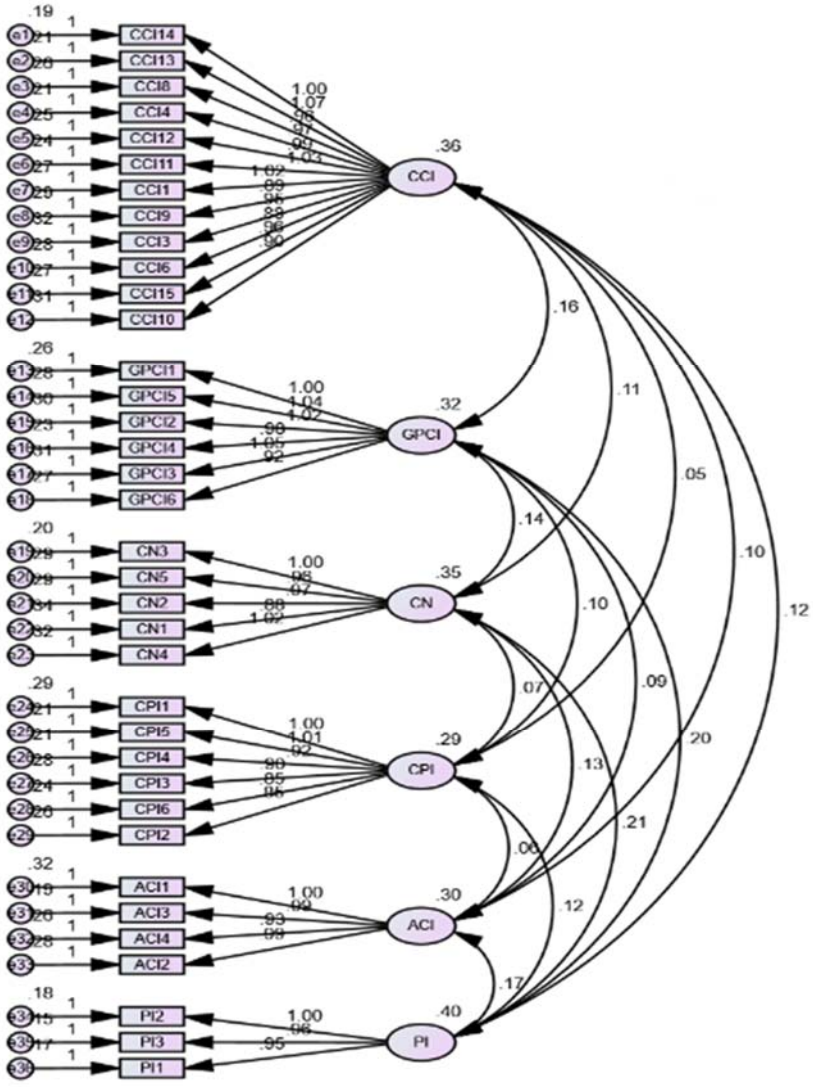

Figure 2. Confirmatory Factor Analysis

Next, indicators' average variance expected (AVE) and composite reliability (CR) were analysed (Table 1): CR varies from .815 to .94, fulfilling the threshold of .7, while AVE ranges from 50.1% to 69.6%, also satisfying the criteria of 50%. The scale is therefore considered trustworthy. All the items demonstrate adequate convergent validity with significant loadings on the constructs ($p<.05$) and standardised loading estimates exceed 0.5 (Hair et al., 2009).

	CR	AVE	CCI	GPCI	CN	CPI	ACI	PI
CCI	.94	.568	.754					
GPCI	.876	.54	.465***	.735				
CN	.852	.537	.301***	.407***	.733			
CPI	.857	.501	.164*	.343***	.210**	.708		
ACI	.815	.524	.316***	.279***	.391***	.198**	.724	
PI	.873	.696	.321***	.542***	.552***	.342***	.501***	.834

Table 1. Average Variance Extracted (AVE) and Composite Reliability (CR)

Significance of Correlations: † p <.1; * p <.05; ** p <.01; *** p <.001

To ensure discriminant validity, the values of all model validity measures (MSV) have to be lower than AVE values. This can be demonstrated by comparing the square root value of the AVE highlighted at the top of each column to the correlated values immediately below that column (Table 2). Therefore, it is expected that the capacity for discrimination is granted.

	CR	AVE	MSV	MaxR(H)	CCI	GPCI	CN	CPI	ACI	PI
CCI	.94	.568	.216	.942	**.754**					
GPCI	.876	.54	.294	.876	.465***	**.735**				
CN	.852	.537	.304	.857	.301***	.407***	**.733**			
CPI	.857	.501	.117	.86	.164*	.343***	.210**	**.708**		
ACI	.815	.524	.251	.818	.316***	.279***	.391***	.198**	**.724**	
PI	.873	.696	.304	.873	.321***	.542***	.552***	.342***	.501***	**.834**

Table 2. Model Validity Measures

Significance of Correlations: † p < 0.1; * p < 0.05; ** p < 0.01; *** p < 0.001

Then, a structural equation model was constructed with AMOS and analysed using the maximum likelihood estimation method. Results demonstrate that the model (Fig. 3) is appropriate for the input data (CMIN/df=2.278, CFI=.863, TLI=.853, and RMSEA=.069).

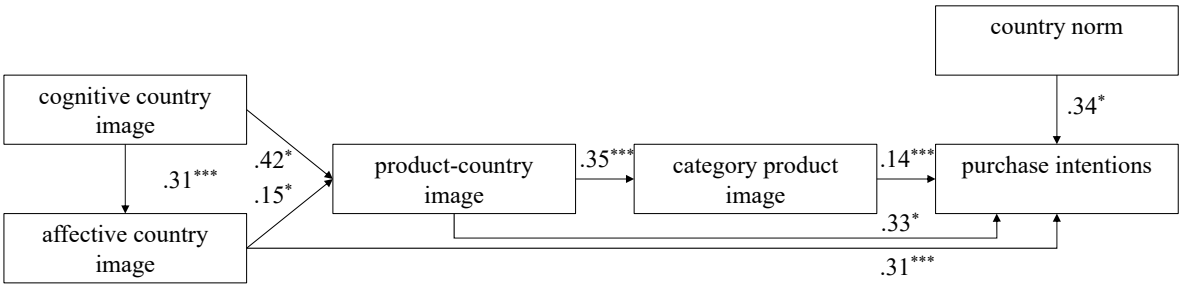

Figure 3. Country-of-origin model

Significance of Correlations: *** <.001, * <.05

H1 proposes that cognitive country image influences the affective country image, which is supported by the data (p<.001). Cognitive and affective country images had a significant direct impact on the general country-product image (both: p<.05); thus, H2a and H2b are supported. The cognitive component precedes the emotional component in terms of its influence level on the general country-product image (0.153<0.415). Overall country-product image affects category product image positively (p<.001, standard error: .346), and thus supports H2c. Further, the general image of Spain and its products among Vietnamese consumers is linked to their purchase intentions of Spanish olive oil, supporting H3a (p<.001). Also, category product image positively influences purchase intentions (p<.05). Further, H3c, suggesting a causal relationship between emotional country image and purchase intentions, is supported (p<.001). Finally, the extension of the model of Li et al. (2014) is supported, too: country norm influences purchase intentions positively (p<.05).

5. Discussion

The results are consistent with those of Li et al. (2014), supporting their model for the fast-moving consumer good of Spanish olive oil, which is used in the developing country of Vietnam as a dietary supplement. Further, the impact of cognitive factors on emotional factors could be supported, which is in line with prior research (Russell & Pratt, 1980; Anand et al., 1988). Moreover, the model of Li et al. (2014) could be extended by individual country norm, represented by world-mindedness and cultural openness in this paper, as another factor influencing the purchase intentions for imported goods.

6. Implications and Further Research

In the global economy, developing countries are important future markets. The paper shows that country-of-origin effects are also present in developing markets; here, in the case of olive oil, as a dietary supplement. Results indicate that both cognitive and affective country images play important roles in the purchase decision for imported goods. Therefore, strengthening both the cognitive and the affective aspects of the country image is strongly suggested for governments, people, and industry. This is especially important for niche products in developing countries, like olive oil, which has a much lower market share in Vietnam, compared to European countries. In such cases, improving the country's image should be a part of the advertising campaign for niche products.

As in every study, there are limitations. Here, only one product (Spanish olive oil) in one developing country was investigated. Future studies should include further products, more exporting countries, and more importing developing countries.

References

Anand, P., Holbrook, M.B., & Stephens, D. (1988). The formation of affective judgments: the cognitive-affective model versus the independence hypothesis. *Journal of Consumer Research*, 15(3), 386-391.

Ajzen, I., & Fishbein, M. (1975). A bayesian analysis of attribution processes. *Psychological Bulletin*, 82(2), 261-277.

Allred, A., Chakraborty, G., & Miller, S.J. (2000). Measuring Images of Developing Countries: A Scale Development Study. *Journal of Euromarketing*, 8(3), 29-49.

Beerli, A. & Martin, J.D. (2004). Factors influencing destination image. *Annals of tourism research*, 31(3), 657-681.

Campo, S. & Alvarez, M.D. (2010). Country versus destination image in a developing country. *Journal of Travel and Tourism Marketing* 27(7), 748-764.

Chrysochou, P., Tiganis, A., Trigui, I.T., & Grunert, K.G. (2022). A cross-cultural study on consumer preferences for olive oil. Food Quality and Preference, 97, 104460.

Dekhili, S., Sirieix, L., & Cohen, E. (2011). How consumers choose olive oil: the importance of origin cues. *Food Quality and Preference*, 22(8), 757-762.

Eroglu, S.A., & Machleit, K.A. (1989). Effects of individual and product-specific variables on utilising country of origin as a product quality cue. *International Marketing Review*, 6(6).

Fishbein, M., Jaccard, J., Davidson, A.R., Ajzen, I., & Loken, B. (1980). Predicting and understanding family planning behaviors. In I. Ajzen, & M. Fishbein (eds.) *Understanding attitudes and predicting social behavior*. Englewood Cliffs: Prentice Hall. (pp. 148-172)

Häubl, G., 1996. A cross-national investigation of the effects of country of origin and brand name on the evaluation of a new car. *International Marketing Review*, 13(5), 76-97.

Hair, J.F. (2009). *Multivariate Data Analysis: A Global Perspective 7th edition* Upper Saddle River: Prentice Hall.

Han, C.M. (1989). Country Image: Halo or Summary Construct? *Journal of Marketing Research*, 26(2), 222-229.

Jiménez-Guerrero, J.F., Gázquez-Abad, J.C., Mondéjar-Jiménez, J.A., & Huertas-García, R. (2012). Consumer preferences for olive-oil attributes: a review of the empirical literature using a conjoint approach. In B. Dimitrios (ed.) *Olive oil-constituents, quality, health properties and bioconversions* (pp. 233-247). London, InTechOpen.

Knight, G.A., & Calantone, R.J. (2000). A flexible model of consumer country-of-origin perceptions: a cross-cultural investigation. *International marketing review*, 17(2), 127-145.

Laroche, M., Papadopoulos, N., Heslop, L., & Bergeron, J. (2003). Effects of subcultural differences on country and product evaluations. *Journal of Consumer Behaviour*, 2(3), 232-247.

Laroche, M., Papadopoulos, N., Heslop, L.A., & Mourali, M. (2005). The influence of country image structure on consumer evaluations of foreign products. *International Marketing Review*, 22(1), 96-115.

Li, D., Wang, C.L., Jiang, Y., Barnes, B.R., & Zhang, H. (2014). The asymmetric influence of cognitive and affective country image on rational and experiential purchases. *European Journal of Marketing*, 48(11/12), 2153-2175.

Rawwas, M.Y., Rajendran, K.N., & Wuehrer, G.A. (1996). The influence of worldmindedness and nationalism on consumer evaluation of domestic and foreign products. *International Marketing Review*, 13(2), 20-38.

Roth, K.P., & Diamantopoulos, A. (2009). Advancing the country image construct. *Journal of Business Research*, 62(7), 726-740.

Roth, M.S., & Romeo, J.B. (1992). Matching product category and country image perceptions: A framework for managing country-of-origin effects. *Journal of International Business Studies*, 23(3), 477-497.

Russell, J.A., & Pratt, G. (1980). A description of the affective quality attributed to environments. *Journal of Personality and Social Psychology*, 38(2), 311-322.

Verlegh, P.W. (2001). Country-of-Origin Effects: on Consumer Product Evaluations. Wageningen University and Research.

Verlegh, P.W., & Steenkamp, J.B.E., 1999. A review and meta-analysis of country-of-origin research. *Journal of Economic Psychology*, 20(5), 521-546.

Wang, C.L., Li, D., Barnes, B.R., & Ahn, J. (2012). Country image, product image and consumer purchase intention: evidence from an emerging economy. *International Business Review*, 21(6), 1041-1051.

World Bank. (2021). *Overview: Development new, research, data*. Retrieved from https://www.gso.gov.vn/wp-content/uploads/2022/02/sach_laodong_2020_b6.pdf. (Last accessed: December 2, 2022).

Yoon, S.J., Cannon, H.M., & Yaprak, A. (1996). Evaluating the CYMYC cosmopolitanism scale on Korean consumers. *Advances in International Marketing*, 7(1), 211-232.