The CoO-ELM model
A theoretical framework for the cognitive processes underlying country of origin-effects

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Abstract
Purpose – The purpose of this paper is to present an extended version of the Elaboration Likelihood Model (ELM-model) to explain and predict which of the four cognitive processes that are distinguished in the literature, with respect to Country of Origin (CoO), can be expected to occur: the halo-effect, the summary construct-effect, the product attribute-effect or the default heuristic-effect.

Design/methodology/approach – Contrary to most of the previous theoretically-oriented work on cognitive CoO-effects, the epistemological background of the CoO-ELM model proposed in this paper is of an inductive nature with theoretical propositions being derived from empirical data already gathered in the existing studies.

Findings – The outcome of this paper is a flow chart model leading to a set of theoretical propositions on which cognitive CoO-effects can be expected to occur under different situational contexts.

Research limitations/implications – This paper only focuses on the explanation of cognitive CoO-effects, not on affective or conative/normative effects. Also, the CoO-ELM model applies only to the processing of consumers’ prior knowledge about a country’s products and not about the country itself. Finally, the CoO-ELM model still needs to be subjected to empirical verification. An important implication of this paper is that the CoO-ELM framework makes the bulk of empirical data become more transparent given the four effects of cognitive CoO-processes.

Practical implications – The CoO-ELM model provides marketing practitioners with an easy and practical tool for the management of CoO-cues.

Originality/value – This paper is the first attempt trying to catch all the cognitive CoO-effects previously identified within a theoretically solid framework.

Keywords Country of origin, Consumers, International marketing

Paper type Conceptual paper

Introduction
Since Ernest Dichter (1962) referred to the significance of the “made-in” information cue, research on the so-called “Country of Origin-effects” has become one of the major domains within the literature on international marketing and consumer behaviour. Unfortunately, it remains to be one of the most controversial fields as well. Despite
extensive efforts undertaken by researchers to validate and relate the numerous approaches to Country of Origin-effects, recent reviews still deplore the lack of conceptual, methodological and theoretical transparency (Verlegh and Steenkamp, 1999; Papadopoulos and Heslop, 2003; Laroche et al., 2005; Usunier, 2006). It is for instance still unclear if, how and to which extent the CoO-effect impacts on consumer evaluations.

These “if, how and to which extent questions” hinge on the nature of the CoO-effect. Overall, the term CoO-effect refers to a specific marketing phenomenon, i.e. consumers (sub)consciously incorporating a CoO-stimulus (like for instance the “Made-in” label) as an evaluative criterion in their formation of an attitude towards a product. The processing of such a CoO-cue can be of a cognitive, affective or conative/normative nature (Johansson, 1989; Obermiller and Spangenberg, 1989). Cognitive CoO-effects are characterized by the fact that consumers make rational use of the CoO-cue. Put differently, they try to distract information about the product’s quality attributes from CoO. Affective CoO-effects are different in such a way that the CoO-cue is said to arouse a purely emotional reaction in the consumer. Conative/normative effects on the other hand manifest themselves in a situation where the consumer’s behavioural intentions towards a product are guided by moral reflections generated by the CoO-cue. Within this paper, CoO-effects will be dealt with from a cognitive perspective. Our decision to follow a cognitive approach towards the analysis of CoO-effects is motivated by the fact that several studies within the field empirically established how consumers’ evaluations of foreign products are most frequently and substantially determined by cognitive processing of the CoO-cue (Sauer et al., 1991; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999). As such, the cognitive CoO-effect can be considered as the most important type of effect. Verlegh and Steenkamp (1999) think that the predominance of cognitive CoO-effects is related to the fact that a large majority of publications on CoO-effects focus on technically complex and financially expensive utilitarian products such as automobiles, computers, VCRs, cameras, etc. Holbrook and Hirschman (1982) indeed argue that the formation of attitudes towards these types of products is mainly cognitively driven.

Within the cognitive perspective, the Elaboration Likelihood Model or ELM-model (Petty and Cacioppo, 1986), describes the way in which information processing is determined by a consumer’s motivation and ability to engage in (CoO)cue-processing. For initial application of the Elaboration Likelihood Model in a CoO context, see Zhang (1997). More recent findings have been reported by Gürhan-Canli and Maheswaran (2000), Knight and Calantine (2000) and Verlegh et al. (2005). More in detail, this theoretical framework posits that cues can be processed in two different ways: through the central or through the peripheral route. Cues which are processed through the central route are assumed to exert a large and enduring impact on the consumer’s evaluation of the product, while the impact of cues processed via the peripheral route is supposed to be rather limited. We believe that one of the basic criterions determining the consumer’s motivation and ability to process a cue is advanced by the literature on cue-selection and usage. According to researchers working within this field, the decision to employ a cue is based on logical reasoning. That is, consumers are assumed to turn more easily to those particular information cues which seem “useful” to them. Findings stemming from studies on cue-selection further indicate that the idea of a cue’s “usefulness” has to do with its perceived “relevance”. More particularly, it appears that consumers determine the relevance of information cues offered to them.
based on two cue-specific properties. These are the so-called “predictive and confidence value” of these cues. As we will argue, these two value constructs seem to depend on the level to which a consumer’s knowledge about a cue is developed. Besides that, we will see how the time interval between presentation of any additional information about the product on the one hand and CoO on the other counts as an additional important determinant of how the CoO-cue will be processed by consumers.

Thus, the overall purpose of this article is to explain the functioning and to predict the occurrence of cognitive CoO-effects. In order to realize this objective, we will propose a framework that is theoretically well founded and sufficiently transparent. More specifically, the construction of this model will follow a three-stage procedure. First, we will review the literature on cognitive CoO-effects in order to find out what is already known about this particular issue. More in detail, we will classify four different cognitive CoO-effects in function of:

1. Their situational context.
2. The structure of their underlying process.
3. Their strength or impact on overall product evaluation.

Second, we will discuss the basic principles behind the ELM-model more into detail and bring these together with insights stemming from theories on the selection and valuation of information cues (like the CoO). From this integration, a fine-tuned and extended version of the original ELM-model will result where the consumer’s motivation and ability to process information cues like the product’s CoO are related to the predictive and confidence value of the knowledge networks activated by these cues. Third, this extended ELM-model will permit us to formulate a series of theoretical propositions on the matter of which of the various cognitive processes are to be expected to support the central or peripheral processing of CoO-cues. Our review of the literature will indicate that four different cognitive CoO-effects can be distinguished. These are the halo-effect, the summary construct-effect, the product attribute-effect and the default heuristic-effect.

Taken together the main contributions of this paper are twofold. From a theoretical point of view, we make the complex literature on the functioning of cognitive CoO-effects become more transparent by framing it within a further developed version of the classical ELM-model. As will become clear, this transparency has been accomplished by sorting out which four cognitive CoO-effects can be distinguished and by identifying the conditions that determine when a particular type of cognitive CoO-effect can be expected to occur. From a practical point of view, the CoO-ELM model can be considered as a promising and useful guideline with clear-cut propositions for marketing practitioners on how to manage the use of CoO-cues.

**The CoO-effect: a cognitive approach**

**Cognitive CoO-effects: literature background**

Over the last three decades, numerous studies have been published where the use of CoO-cues has been extensively reviewed (e.g. Bilkey and Nes, 1982; Özsome and Cavusgil, 1991; Baughn and Yaprak, 1993; Liefeld, 1993; Peterson and Jolibert, 1995; Al-Sulaiti and Baker, 1998; Verlegh and Steenkamp, 1999; Javalgi et al., 2001; Papadopoulos and Heslop, 2002, 2003; Pharr, 2005; Usunier, 2006). As discussed by Bilkey and Nes (1982), one of the more popular approaches towards the use of CoO-cues
is the so-called “cognitive approach”. The basic assumption behind the cognitive approach is that a product can be considered as an array of information cues. Traditionally, a distinction is made between product intrinsic cues (taste, design, material, performance, etc.) and product extrinsic cues like price, brand name, store reputation, warranty, or country of origin. The latter are also referred to by the term “image variable” defined as “some aspect of the product that is distinct from its physical characteristics but that is nevertheless identified with the product” (Erickson et al., 1984, p. 694). It appears image variables like the CoO-cue actually function as stimuli, which automatically activate internally stored schemas (Kochanny et al., 1993; Shimp et al., 1993). Generally, the latter are referred to by the term “product-country images”, containing a person’s cognitions, affects and conations towards the country, its people and its products (Papadopoulos and Heslop, 1993; Papadopoulos et al., 2000; Verlegh, 2001; Heslop et al., 2004; Laroche et al., 2005; Pharr, 2005).

Two important remarks should be made with regard to the way in which we deal with this product-country image concept throughout the rest of the paper. First, it should be noticed that our model applies only to the product- and not to the country level. Put differently, we limit ourselves to examining how people cognitively process their internally stored knowledge about a country’s products (i.e. the product image). Therefore, if throughout the rest of this paper we speak in terms of “product-country knowledge”, we refer to what the consumer knows a priori about a country’s products. All the rest, that is, everything that has to do with the country itself and its people (i.e. the country image) will not be addressed here. A first reason behind this decision is that for the evaluation of utilitarian products, such non-product and marketing oriented knowledge is less relevant as a source of information (Roth and Romeo, 1992). Next to that, various authors contend that knowledge about the country itself is better suited for generating all kinds of symbolic, emotional or value-related imagery than providing the consumer with information about a product’s functional quality (Thakor and Kohli, 1996; O’Shaughnessy and O’Shaughnessy, 2000; Baker and Ballington, 2002). As such, the processing of country images corresponds to other kinds of mechanisms than the ones being addressed in this paper.

Second, we focus only on the functioning of the product image’s cognitive component, i.e. everything a consumer knows (or thinks he knows) about a country’s products. In line with Martin and Eroglu (1993, p. 193), we define this concept as the total of all descriptive, inferential and informational beliefs one has about a particular country’s products. As noticed by Papadopoulos (1993), this definition clearly suggests that consumers do not necessarily know the country’s products very well. On the contrary, most often, their opinions and beliefs can be qualified as over-simplified stereotypical views. As such, a consumer’s product-country knowledge cannot always be considered as an accurate representation of reality.

Within so-called multi-attribute settings, consumers have been proven to use their product-country knowledge as a surrogate indicator from which they infer beliefs about a product’s quality attributes. This would particularly be the case when subjects find themselves in a situation where attribute information is missing or unfamiliar to them (Erickson et al., 1984; Johansson et al., 1985; Han, 1989; Knight and Calantone, 2000; Laroche et al., 2005). Additionally, consumers appear to use the CoO-cue when they are confronted with ambiguous attribute information (Maheswaran, 1994; Rogers et al., 1994). Under these circumstances, it is said that the processing of the CoO-cue
should be understood as a cognitive mediation- or halo mechanism. The latter is defined as a process where the effect of CoO on the overall evaluation of the product is indirect and rather weak because it is mediated by the formation of beliefs about specific attributes related to the product (Johansson, 1989; Obermiller and Spangenberg, 1989). Theoretically, this mechanism is grounded in the Expectancy Value Theory as it was developed by Fishbein and Ajzen (1975) and where it is posited that marketing stimuli affect product attitudes through the formation and evaluation of salient beliefs (Beckwith and Lehmann, 1975). In terms of the ELM-model, we suggest this halo-effect would be an example of peripheral CoO-processing because its impact on the consumer’s final evaluative judgement of the product is only indirect and rather limited.

Besides this halo-effect, Han (1989) identified a second type of cognitive process underlying CoO-effects. Within this second process, the CoO-cue does not act as a surrogate indicator from which attribute information is inferred, but as a summary construct having a much more considerable and direct influence on the consumer’s evaluative tendency. Han defines this summary construct as “a file of information about various brands from a country that consumers develop over time, store in their memory in the form of overall evaluations of products from the country and retrieve readily when evaluating the brands” (Han, 1990, p. 34). Johansson (1989) states that consumers who dispose of such a file or summary construct will use it as a heuristic proxy to simplify their evaluation and decision efforts. These consumers will refrain from a detailed and (cognitively) intensive examination of all the attribute information reached to them (Wright, 1975). Instead, they will be inclined to base their evaluation directly on this automatically activated database, already filled with detailed information on the various product attributes. To put it in terms of ELM-theory, the summary construct-effect would be an example of central CoO-processing since its impact on the consumer’s evaluation of the product is direct and of substantial significance.

Next, we have the Manrai et al. (1998) study. They propose to expand the conceptualization of halo and summary construct-effects by introducing the intermediary notion of a default heuristic. It was defined as a process where information about a product’s CoO is processed together with additional information about the product, resulting in an interactive effect on the consumer’s product evaluation. More in detail, this interactive effect should be understood as the simultaneous occurrence of two different mechanisms. On the one hand, both the CoO-cue and additional information about the product exert a direct impact on overall product evaluation, but at the same time, the CoO-cue and product-related additional information affect each others’ interpretation. The latter mechanism has been categorized as an “elaboration” or “interpretation” mechanism by Hong and Wyer (1989, 1990) and has been explained by Hadjimarcou and Hu (1999, p. 410) as a process where the CoO-cue leads individuals to interpret additional information about a product differently, that is, in a way that is consistent with the content of their product-country knowledge network and vice versa. According to Manrai et al. (1998), a default heuristic-effect occurs more specifically when consumers are in a situation where the informational value or relevance of both the CoO-cue and the additional information cues are neither high nor low, but at a moderate level. Several reasons might explain why a consumer’s tendency to process product-country knowledge is only moderately developed. These however will be discussed throughout the following
section where the focus will be on the determinants of cognitive cue selection and processing. Although it might be reasonable to assume that the impact of these moderately valuable cues on the consumer’s product evaluation will be rather limited, Manrai et al. (1998) argue this is not necessarily the case. Their reasoning is that, since the consumer has no other, more relevant cues to rely on, he will have no other option than to base his product evaluation on these moderately relevant cues.

Thus, in terms of ELM-theory, each of these cues taken separately is expected to exert only a limited (or peripheral) influence on the consumer’s product evaluation. However, taken together, these peripheral cues still might have a considerable impact. In sum, the default heuristic-effect should be seen as some kind of compensation mechanism where a whole set of moderately valuable cues come to exert a significant effect on product evaluations, due to the fact that they are processed simultaneously. This compensational character of the default heuristic-effect explains why Manrai et al. (1998) consider it as an “intermediary effect” between the halo and the summary-effect.

Finally, we come to the product attribute-effect. The latter has been identified in two follow-up studies performed by Hong and Wyer (1989, 1990). In 1989 they tested four different hypotheses on the effects of CoO and additional attribute information on overall product evaluation: the encoding hypothesis, the heuristic hypothesis, the primacy-recency hypothesis and the cognitive elaboration hypothesis. Most support was found in favour of the cognitive elaboration hypothesis, which states that a product’s CoO excites general curiosity about the quality of a product and consequently, stimulates consumers to think more extensively about its attributes. One year later, they studied the effects of time interval between exposure to a product’s CoO-cue and information about its specific attributes (Hong and Wyer, 1990). It was discovered that when the CoO-cue and intrinsic attribute information were presented in the same experimental session, subjects perceived the CoO-cue simply as another product attribute. Contrary to this, when presented before any additional information about the product’s intrinsic attributes, the CoO-cue not only appeared to have a greater influence on product evaluations, but affected the interpretation of attribute descriptions as well. These findings were confirmed in replication studies performed by Li and Wyer (1994) and by Hadjimarcou and Hu (1999).

Two things should be noticed with regard to the product attribute-effect. Firstly, it is characteristic that the CoO-cue exerts a direct but marginal influence on the overall product evaluation. According to Samiee (1994), this can be explained by the fact that consumers making use of additional information about product intrinsic attributes value these over product extrinsic cues as determinants of product evaluation. This is a commonly accepted idea that has been empirically supported at various occasions already (e.g. Jacoby et al., 1971, 1977; Olson and Jacoby, 1972; Gerstner, 1985; Pecotich and Rosenthal, 2001). Reasons explaining why this is the case will be addressed throughout the following section where we will deal with the determinants of selection and processing of information.

Second, a clear distinction must be made between a product attribute-effect on the one hand and a default heuristic-effect on the other. The main difference is that in case of a product attribute-effect, there is no interaction between the CoO-cue and additional product information. As argued by Hong and Wyer (1990), the reason explaining why such interaction is missing in case of a product attribute-effect, is the time delay between exposure to the additional product information on the one hand and the
CoO-cue on the other. So, to speak of this product attribute-effect in terms of ELM, it should be categorized as another type of peripheral processing, while the impact of this particular CoO-effect on the evaluation of the product is almost negligible. Since most of the attention goes to the additional product-related information, it will be the latter that is processed through the central route, thereby exerting a substantial impact on the consumer’s overall evaluation of the product and overshadowing the CoO-effect.

To summarize, it can be concluded that when we speak in terms of cognitive CoO-effects, these are to be understood as the rational processing of descriptive, inferential and/or informational beliefs one associates with a particular country’s products in order to arrive at an overall evaluation of the product being confronted with. Different types of cognitive CoO-effects can be distinguished from each other in function of:

- The situational context (i.e. CoO-cue processed together with additional information or not).
- The structure of the underlying process (i.e. CoO-cue triggers direct or indirect effect on overall product evaluation).
- The strength or impact on overall product evaluation (i.e. substantial, moderate, weak or marginal).

For situations where the CoO-cue is processed together with additional information about the product, there is a fourth determinant that has to be taken into account, that is, time interval (i.e. CoO-cue presented before or after additional information about the product).

The halo-effect corresponds to a process where additional product information is disregarded or missing and where the impact of the CoO-cue on the overall product evaluation is indirect and rather weak. In case of the summary construct-effect, additional product information is not explicitly taken into consideration anymore because it is already summarized by the CoO-cue. The CoO-cue is said to have a direct and substantial impact on the overall product evaluation. Thus, for these two cognitive CoO-effects, the factor of time interval has no significance. Contrary to the previous effects, the default heuristic-effect is characterized by the fact that the processing of the CoO-cue is done together with the processing of additional product information. Additionally, the CoO-cue is presented simultaneously with additional information about the product. As a result, the CoO-cue not only exerts a direct effect on the overall product evaluation, but at the same time, there is a reciprocal interaction between the CoO-cue and additional information about the product. The size of CoO’s impact is only at an intermediary or moderate level. In line with the default heuristic-effect, the product attribute-effect is to be understood as a process where both the CoO-cue and additional product information are being processed. Again, the CoO-cue is directly influencing the overall product evaluation, but its impact is of no more than a marginal extent with most of the consumer’s attention going to the additional product information. Contrary to the default heuristic-effect, there is no interaction between the CoO-cue and additional information about the product because of the time delay. These different cognitive CoO-effects are pictured in Figure 1. Full arrows stand for a substantial impact on overall evaluation of the product (i.e. central processing) while broken arrows represent weak impact on overall product evaluation (i.e. peripheral processing).
Now that we have defined and classified the different cognitive CoO-processes distinguished within the literature, our next objective will be to identify the constructs determining when a particular effect can be expected to occur. As already stated, the CoO-field is currently missing a comprehensive framework that allows us to integrate the different cognitive CoO-effects in a meaningful way. Throughout the following section, we will argue that the ELM-model might be considered as a promising avenue towards the creation of such an explanatory framework. However, we propose to elaborate the basic principles behind the ELM-model somewhat further by completing it with additional insights stemming from theories on cue selection and processing. This will bring us to what might be considered as an extended version of the original ELM-model.

**Determinants of the cognitive processes underlying country of origin-effects**

As for the development of the extended CoO-ELM model, our reasoning will be structured as follows. First, we sketch the general background behind the emergence of cognitive CoO-effects. This background constitutes the basic fundament of our model and combines insights stemming from ELM-theory with concepts borrowed from the literature on cue selection and valuation. Second, we will more closely examine the key-concepts appearing within the overall framework. These are:

- prior knowledge;
- predictive value;
- confidence value;
- motivation;
- ability to engage in cognitive processing;
- the role of additional product-related information; and
- time interval.
Third, we will relate these different constructs to each other, bringing them together into the extended CoO-ELM model. Finally, we will explain how the different cognitive CoO-effects, visualised throughout the previous section, are determined by these different key-constructs. As such, our theoretical framework can be seen as some kind of flow chart, with each type of CoO-effect following a specific pathway through the model.

The point of departure is that CoO-studies regard the consumer as having to perform the task of generating an evaluative tendency towards a product from a particular country one way or another. In order to determine what kind of cognitive process underlies the CoO-cue’s effect on this evaluative tendency, several aspects should be taken into account. On the one hand, this is dependent on the value or usefulness of the prior knowledge activated by the CoO-cue itself as a source of information. On the other hand, the ELM-model posits that the value or usefulness of any additional product-related information should also be taken into account. As stated by Petty and Cacioppo (1986), the basic reasoning behind the ELM-model is that highly valuable cues make consumers feel more motivated and able to engage in cognitive processing, which means that central importance goes out to them when consumers are forming an overall evaluation of the product. Contrary to this, less valuable cues make consumers feel less motivated and able to cognitively process them. Consequently, such cues receive no more than peripheral importance during overall evaluation of the product.

Thus, the core question is to know what determines whether a specific information cue is valuable or useful to consumers when having to evaluate a product. According to theory on cue selection procedures, consumers are inclined to base their overall evaluation of the product on information cues possessing high predictive and confidence value (Cox, 1962; Heimbach et al., 1989; Johansson, 1989; Liefeld et al., 1996). Predictive value can be defined as “the degree to which a consumer believes that a cue is indicative of a particular product characteristic of interest” (Eroglu and Machleit, 1989, p. 29). In line with Cox (1962), p. 416), Johansson (1989, p. 54) says that confidence value indicates “how certain the consumer is that the cue is what he thinks it is”. He further reasons that “in order to make use of their knowledge about specific countries, people should also have confidence in it. If they do not feel certain about their country perceptions (for example, if they feel that their perceptions represent crude and perhaps unfair stereotyping only), the individuals might make a conscious effort to avoid using them” (Johansson, 1989, p. 54).

So taken together, the predictive and confidence value of a consumer’s CoO-prior knowledge has to be taken into account, because it determines his intellectual motivation and ability to process this CoO-cue. In addition, we follow the ELM-model in that attention should be paid to the consumer’s motivation and ability to process any additional information about the product. In order to determine whether their motivation and ability to process this additional information will be high or low, we will have to look at the same cue-specific characteristics as those related to the CoO-cue, namely, the predictive and confidence value. Finally, in line with the findings of Hong and Wyer (1989, 1990), Li and Wyer (1994) and Hadjimarcou and Hu (1999), we argue that, for situations where CoO is processed together with any additional information about the product, it should be taken into account whether the CoO-cue is presented before or after such additional product-specific information. These
antecedents taken together allow us to determine whether a halo-effect, a summary construct-effect, a product attribute-effect or a default heuristic-effect will occur. This basic theoretical background is visualised in Figure 2 and is followed by a more detailed discussion of the key-variables appearing in the model.

*The CoO-specific prior knowledge.* As for a consumer’s CoO-prior knowledge, we saw that it is normally activated by the CoO-cue functioning as a kind of stimulus. The general idea will be that, the more this CoO-prior knowledge has been developed, the higher a CoO-cue’s predictive and confidence value will be (Han, 1989, 1990; Maheswaran, 1994; Zhang, 1997). This increasing predictive and confidence value is assumed to result in a higher motivation and ability to process the CoO-cue and therefore, to a bigger chance of being centrally processed.

The opposite occurs in case a consumer’s CoO-knowledge network is developed only to a moderate or limited degree. Consumers to which a certain country’s products are rather unknown will not easily see any relevant associations between the product’s CoO and its quality attributes. In addition, they are assumed to be less confident in the CoO-cue as a potential source of information about the product’s attributes. As a consequence, consumers will be less motivated and able to take into consideration the CoO-cue, resulting in a peripheral processing mechanism. This has been empirically supported by Han (1989, 1990), Maheswaran (1994) and Gürhan-Canli and Maheswaran (2000).

*Predictive and confidence value.* The concepts of predictive value and confidence value are important determinants of the ways in which CoO-cues will be used, because they affect the consumer’s motivation and ability to process this cue. Important to notice is that the predictive value of prior knowledge about a country’s products, as well as its confidence value, can be negatively affected by unknown country names which do not stand for meaningful information (Johansson, 1989). Another factor that might have a negative influence on the predictive value of the CoO-cue is its lack of clarity (Obermiller and Spangenberg, 1989). So called hybrid products (Chao, 1993) make it difficult for consumers to attribute information related to a country’s products to the specific product being confronted with. This is also the case when consumers are aware of high heterogeneity in quality of products within a product category from a specific country. Obermiller and Spangenberg (1989) refer to this phenomenon as “country-brand heterogeneity”. It is also difficult to attribute information related to a country’s products clearly to a product when the perceived quality differences between

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**Figure 2.** The background for the emergence of a CoO-effect

A consumer has the task to generate an evaluative tendency towards a product from a particular country

- Presence of prior knowledge about products from the country in question that can be used to generate this evaluative tendency and additional information
- The predictive and confidence value of the CoO-cue and the additional information and the motivation and the ability to process the CoO-cue and the additional information
- Occurrence of a Country of Origin-effect in terms of a halo effect, a summary-construct effect, a product attribute effect of a default heuristic effect on the consumer’s evaluative tendency
countries are small within a product class (Obermiller and Spangenberg, 1989; Heimbach et al., 1989; Ahmed et al., 1994; Hui and Zhou, 2003).

Confidence value, besides being determined by the degree to which a consumer’s CoO-knowledge is developed, seems to be related to the nature of the experiences on which this CoO-knowledge network is based. For instance, it appears that consumers who base their prior knowledge on direct experiences will be more confident in their judgement than consumers who gathered prior knowledge on the basis of indirect experiences where the reliability of the sources consulted is more difficult to control. This idea is supported by Sauer et al. (1991, p. 36) who follow Fishbein and Ajzen (1975), Fazio (1985) and Fazio and Zanna (1981) in their claim that “information in the form of direct experience with the attitude object, results in beliefs that are held more confidentially compared to other forms of information”.

The motivation and the ability to engage in cognitive processing. According to the ELM-model, the consumer’s motivation and ability to process information determine whether the resulting attitude is enduring or not. The enduring attitude formation or change, through the central route, will only occur if both motivation and ability to process the persuasive communication are present. Where motivation and/or ability are lacking, the attitude change, which takes place via the peripheral route, will be of a less enduring nature (Petty and Cacioppo, 1986). We suggested how this ELM-model might serve as a frame of reference in order to understand the cognitive processing of CoO-information. We adopt the idea that a consumer’s motivation and ability to engage in processing cues are determinants of the way in which consumers will employ the CoO-cue.

However, since our focus on CoO-effects is of a cognitive nature, the consumer’s motivation to process the CoO-cue will not be defined here as a socio-psychological variable such as consumer ethnocentrism (Shimp and Sharma, 1987; Kaynak and Kara, 2002; Brodowsky et al., 2004; Reardon et al., 2005), consumer patriotism (Han, 1989), animosity (Klein et al., 1998; Klein, 2002), nationalism (Verlegh, 2001), internationalism (Balabanis et al., 2001), or idealism and relativism (Swaidan et al., 2004). Instead, we use the cognitively-oriented concept of “individual need for cognition”, created by Petty and Cacioppo (1986). Zhang follows them in defining it as “the individual’s intrinsic enjoyment and motivation to engage in effortful cognitive information processing” (Zhang, 1997, p. 268). We argue that a consumer’s intrinsic motivation to process the CoO-cue will increase in function of this cue’s predictive and confidence value. A decreasing tendency to process the CoO-cue is expected to occur in cases where the CoO-cue is of low confidential and/or predictive value. A lack of predictive value for instance, might explain why in some cases product-country experts disregard the CoO-cue when evaluating a product. Indeed, the fact that subjects know much about a country’s products does not guarantee that this extended product-country knowledge network is a relevant indicator of attributes from the specific product category to be evaluated. For instance, it might well be that one is an expert in automobiles or electronic appliances and that one knows the differences between various countries as producers within these particular product categories. However, this product category-specific expertise will be useless for the evaluation of items pertaining to completely different product categories such as toothpaste, beer, perfume or toys. For example, how useful or relevant is expertise about automobiles from a certain country X for a consumer that has to evaluate diapers, shampoo or barbecue sausages coming
from the same country? Under these circumstances, it is reasonable to assume that CoO is reduced to a status of marginal importance for the overall evaluation of the product (Johansson, 1989; Maheswaran, 1994). Roth and Romeo (1992) agree that the extended character of a consumer's product-country expertise does not automatically guarantee that the CoO-cue plays a significant role during product evaluation. According to their opinion, there has to be a meaningful match between a specific product on the one hand and its CoO as a producer of that particular product on the other. If no such product-country match exists, the CoO-cue will become irrelevant for the evaluation of the product's overall quality. Examples of such product-country mismatches cited by the authors are Hungarian beer or cars manufactured in Mexico.

Thus, processing of the CoO-cue via the central route occurs when high motivation goes together with a high ability to process this cue. In our opinion, consumers are believed to be “able” to process the CoO-cue when they have confidence in their interpretation of the CoO-cue and when they see relevant associations between the CoO-cue and quality attributes of the product that has to be evaluated. On the contrary, when consumers do not see the CoO-cue as predictive of the product's quality, and/or do not feel confident with this cue in its role of information source, it might be assumed that they will rather process the CoO-cue through the peripheral route, or even totally ignore it.

The role of additional information and time interval. In their model of consumer product choice, Liefeld et al. (1996) postulate that besides individual and product-related characteristics, the consumer's choice of cues is determined by situational factors like the presentation format of product information. Empirical results in support of this statement have been obtained by Lim et al. (1994) in their study on the assessment of CoO-effects under alternative presentation formats. They distinguished single-cue settings from implicit and explicit multi-cue formats and established that the CoO-cue had maximum impact when it was the only cue available. When presented in a multi-cue format, it appeared to be most effective when displayed as part of a formal list. Various meta-analyses (see Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999) have recognized the difference in size of the CoO-effect due to the type of setting as a generalizable study characteristic. Therefore, single- and multi-cue formats will be integrated into our model in order to classify and understand the CoO-effect well. Another situational key-variable is time interval. At various instances already, we discussed how exposure to CoO before or after additional information about the product affects the way in which the CoO-cues operates during the formation of an overall product evaluation.

We summarize the previous discussion, concluding that different cognitive CoO-effects occur depending on the consumer’s motivation and ability to process the CoO-cue. These in turn, seem to be determined by the predictive and confidence value of the CoO-cue. It is the level to which a consumer’s prior knowledge about a country’s products has been developed that influences the predictive and confidence value of the CoO-cue. However, if the CoO-cue is presented to consumers within a multi-cue setting, attention should be paid as well to the consumer’s motivation and ability to process this additional information. In order to determine whether consumers are motivated and able to process any additional information cues the same factors as those related to the CoO-cue should be taken into account, namely their predictive and confidence value. Additionally, time interval affects the way in which CoO and additional
product-related information are processed. Now that we have identified the various elements, which determine how the CoO-cue is processed, we will integrate the different cognitive CoO-effects into our extended CoO-ELM model.

**The CoO-ELM model**

The advent of a CoO-effect in the consumer’s product evaluation is depicted in Figure 3 as a flow chart. It is substantially based on the general ideas underlying the Elaboration Likelihood Model applied in CoO research. We use this widely accepted model to further structure our argument.

Consumers’ existing CoO-knowledge (memory content) can be considered as extended, moderate or limited. As such, it may stem from personal product usage, hearsay, word-of-mouth from friends or family, test magazine reports, etc.

First we will determine how the CoO-cue operates during the product evaluation of consumers who dispose of extended prior knowledge about a country’s products (see arrow 1 in Figure 3). Within a multi-cue context, consumers dispose of a CoO-cue on the one hand and additional information about the product on the other (see arrow 1.1 in Figure 3). Under these circumstances, two situations should be distinguished from each other. The CoO-cue may play a significant role (or not) in this evaluation context. When challenged to reflect on their evaluation, consumers will certainly use all types of available memory content, including the CoO of the product if relevant. Such relevance however is not always guaranteed. As argued before, we agree with Roth and Romeo (1992) that, sometimes, the CoO-cue might be irrelevant to assess the quality of a product. Consequently, the well-informed consumer will not attribute specific quality characteristics of the product to the CoO-cue. In such case, the CoO-association does not act as a factor relevant for the evaluation to be generated from memory. As demonstrated by Maheswaran (1994), experts may classify the CoO-cue as irrelevant and exclude it from their cognitive processing. In such cases, consumers will probably look for additional information in order to evaluate the product. If they are motivated and able to process such supplementary information cues and if these are being presented before the CoO-cue, it is believed that consumers will accord central importance to additional information cues while the CoO-cue is reduced to the status of a peripheral product attribute (see arrows 1.1.1 in Figure 3).

Contrary to the previous situation, it might be that consumers are confronted with a product category where his CoO-related expertise is relevant and highly distinctive (for instance in product categories characterized by large quality differences between countries). Undoubtedly, this will make consumers aware of the CoO’s importance. As posited by Johansson, it may indeed be assumed that “the person who knows cameras also knows the difference between the Japanese and the German manufacturers” (Johansson, 1989). He continues that “it takes little insight to realise that it is these well-informed ‘opinion leaders’ who will be among the first to possess the product-specific knowledge about a country that is necessary in order to use country of origin cues to evaluate products” (pp. 51-2). In line with his reasoning, we suppose the CoO-cue plays a central role in the evaluation of a product and is functioning as a summary construct. Consumers will not be motivated to engage in a cognitively effortful process of examining all the additional information about the product they receive (see arrows 1.2 in Figure 3). If any attention at all goes out to these additional information cues, it will be of no more than a very limited extent.
Figure 3. CoO-Elaboration likelihood model as a flow chart

Consumer's task: to generate an evaluative tendency towards a product

Prior knowledge about products from the country in question

limited

Info about CoO present?

CoO: SPECIFIC HALO

Predictive and confidence values of CoO + additional information?

Motivation to process CoO + additional information is high?

Ability to process CoO + additional information is high?

CoO: GENERAL HALO

Irrelevant for occurrence of CoO-effect

CoO: PRODUCT ATTRIBUTE

yes

no

CoO: SPECIFIC DEFAULT HEURISTIC

Motivation to process CoO + additional information is high?

Ability to process CoO + additional information is high?

CoO: PRODUCT ATTRIBUTE

Irrelevant for occurrence of CoO-effect

yes

no

CoO: SPECIFIC SUMMARY CONSTRUCT

Motivation to process CoO + additional information is high?

Ability to process CoO + additional information?

Irrelevant for occurrence of CoO-effect

yes

no

CoO: PRODUCT ATTRIBUTE

extended

Info about CoO present?

CoO: SPECIFIC HALO

Predictive and confidence values of CoO + additional information?

Motivation to process CoO + additional information is high?

Ability to process CoO + additional information is high?

CoO: GENERAL HALO

Irrelevant for occurrence of CoO-effect

CoO: PRODUCT ATTRIBUTE

yes

no

CoO: SPECIFIC DEFAULT HEURISTIC

Motivation to process CoO + additional information is high?

Ability to process CoO + additional information is high?

CoO: PRODUCT ATTRIBUTE

Irrelevant for occurrence of CoO-effect

yes

no

CoO: SPECIFIC SUMMARY CONSTRUCT

Motivation to process CoO + additional information is high?

Ability to process CoO + additional information?

Irrelevant for occurrence of CoO-effect

yes

no

CoO: PRODUCT ATTRIBUTE

no

CoO: PRODUCT ATTRIBUTE
In some cases however, it might be that the consumer has no additional information, simply because it is not available as such. Suppose that only the name of a product class or product type and the name of the country of origin are present (e.g. “dry white wine from South Africa”). Under these circumstances, the consumer is left with no other choice than to base the product evaluation on these few stimuli. In order to compare dry white wines from different countries, these consumers have to rely exclusively on the CoO-cue. This situation reflects CoO-research in terms of single-cue studies (see arrow 1.3 in Figure 3). We assume that in the case of single-cue settings, consumers who are highly familiar with a certain foreign sourced product will utilise the CoO-cue again as a summary construct.

Although in both single- and multi-cue settings the CoO-cue is supposed to function as a summary construct, a clear distinction has to be made between the two settings. We base this statement on a remark with regard to the CoO-effect, formulated by Sauer et al. (1991). According to them, a critical issue is to determine whether a CoO-effect is advertisement-specific, which means the overall evaluation of the product is narrowed down in such a manner that it is determined almost exclusively by product attributes contained in a target advertisement for a brand. A more global CoO-effect is characterised by the fact that the overall evaluation of the product is not predominated by product attributes specifically addressed in the ad but by other, more general attributes that not have been explicitly shown (Sauer et al., 1991). In line with this observation, we distinguish a “specific” summary construct from a “general” summary construct. The specific summary construct occurs in a multi-cue setting and should be understood as a process where the consumer bases the overall product evaluation more specifically on his internally stored expertise about those particular attributes that have been explicitly presented to him together with the CoO-cue. In other words, the information cues that are additionally shown do not function as evaluative determinants themselves (i.e. they are perceived, but not cognitively processed any further), but as some kind of automatic selection devices which unconsciously predispose the consumer to use no more than specific parts or fragments of the (much more extensively) elaborated product-country knowledge network that is stored in his memory. The general summary construct takes place in a single-cue format where no additional information about the product is presented to the consumer. Under these conditions, it is assumed that the consumer is not predisposed by any additional information and therefore makes use of his broader expertise about other product attributes as well.

Finally, arrow 1.4 in our model describes those cases in which no information about the origin of the product is present. By definition, it is not possible for the CoO-effect to occur and this situation is accordingly not relevant to CoO-effect research.

Thus, in general, we believe that under conditions of an extended product-country network, the CoO-cue can act as a centrally processed general or specific summary, or as a peripheral cue which is possibly completely ignored during the consumer’s product evaluation process. In the latter case, it is rather the additional information about the product, which is believed to be of primary importance and therefore, expected to be centrally processed.

The problem with consumers whose CoO-prior knowledge is only moderately developed (see arrow 2 in Figure 3), is that they experience the CoO cue as having not enough predictive and/or confidence value to take the risk of basing their evaluation
exclusively on the CoO-cue. In order to “compensate” the CoO-cue’s lack of predictive and/or confidence value, they will search for additional information during the evaluation process (Nelson, 1970). When additional information is available, we can speak of a multiple-cue situation (see arrow 2.1 in Figure 3). Several authors have pointed out that consumers use the CoO-cue more when other product information is missing and that, except for well-informed opinion leaders who consider it to be a relevant indicator of product quality, they use this cue less when additional information is available (e.g. Bilkey and Nes, 1982; Erickson et al., 1984; Johansson et al., 1985; Johansson, 1989; Eroglu and Machleit, 1989; Li et al., 1993; Schaefer, 1997; Chawla et al., 1995).

As already discussed, it seems reasonable to assume that consumers who find that the additional information has no sufficient predictive and/or confidence value are unwilling and/or unable to process this additional information. However, additional information, which is considered to be predictive and confident enough is more likely to be processed since consumers are motivated and able to process it.

When this motivation and/or ability to process the additional information is low, the consumer will exhibit an increasing tendency to use the CoO-cue during product evaluation. This particularly appears to be the case when product information is not sufficiently predictive and/or confidential. This lack of predictive and/or confidence value might occur when consumers do not understand the additional information about a product’s attributes or when this additional information is ambiguous. Past CoO-research has established that, for instance, being confronted with contradictory information cues creates a state of cognitive dissonance, which consumers rather try to avoid by searching other sources to base their evaluation on. As Rogers et al. (1994) were able to demonstrate, the effect of CoO-information on product evaluations was strongest when price and quality cues disagreed. Since comparable findings have been reported by Maheswaran (1994), it can be hypothesised that consumers who dispose of moderately developed product-country knowledge will be more inclined to use the CoO-cue in their product evaluations under these conditions.

In cases where both the CoO-cue and additional information are predictive and/or confidential only to a moderate degree, and consequently, there is only limited or no motivation and/or ability to process the CoO and the additional information (see arrows 2.2 in Figure 3), consumers are expected to use the CoO-cue as a default heuristic. In more concrete terms, this means that consumers will arrive at an evaluation of the product through an interactive and compensational mechanism where, besides influencing each other’s interpretation, the CoO-cue and additional information about the product compensate for each other’s “moderateness” through a simultaneous (and therefore stronger) and direct effect on the consumer’s overall product evaluation.

We also have to consider what those consumers will do, who are highly motivated and have a high ability to process additional information cues due to their high predictive and confidence value (see arrows 2.1.1 in Figure 3). According to the ELM, these consumers will elaborate on such information following the central route of information processing. Presented together with additional information, which is expected to be centrally processed, the CoO-cue may independently contribute to the resulting evaluative tendency of the consumer. More in detail, the CoO-cue is hypothesised to function as just another product attribute. In line with the results
obtained by Lim et al. (1994), we expect that the CoO-cue’s impact in an explicit multi-cue setting is supposed to be larger than when the CoO-cue is presented in an implicit multi-cue format.

We assume that in the case of single-cue settings (see arrow 2.3 in Figure 3), consumers who are moderately familiar with a certain product will employ the CoO-cue again as a default heuristic. In line with our discussion about summary constructs, a clear distinction must be made between default heuristic-effects occurring in a single- or a multi-cue setting. The specific default heuristic-effect occurs in a multi-cue setting where the effect of the moderately developed product-country expertise interacts more specifically with those additional attribute information cues, which are explicitly presented to the consumer. The general default heuristic-effect manifests itself in a single-cue format where no additional information is presented to the consumer. This general default heuristic is to be regarded as a combined effect of information which is automatically retrieved from that specific part of the product-country knowledge network that contains information about the product being confronted with on the one hand and other parts of the product-country knowledge network containing information about other, maybe more familiar products of the country being confronted with.

To end with, it should be noticed that there is a clear difference between general/specific summary constructs on the one hand and general/specific default heuristics on the other. In case of specific summary constructs, the interplay between the product-country network and additional information is limited to such additional information cues influencing consumers’ selection of specific parts of this internally stored knowledge. For specific default heuristics however, this interaction is situated at a more profound level with additional information and the CoO-cue affecting each other’s interpretation. Also, in case of a specific summary construct, the additional information itself does not affect the consumer’s final evaluation of the product while the opposite counts for the specific default heuristic. The difference between a general summary construct and a general default heuristic is that, for the former, consumers are disposing of very detailed information about that particular product they are confronted with while, for the latter, no such highly accurate and precise knowledge is available. Therefore, the consumer who is only moderately familiar with a particular product from a certain country has to fall back on what he knows about other products from the same country.

As indicated by arrow 2.4 cases where no information about the origin of the product is present are not relevant to CoO-effect research.

Now let us have a look at the cognitive processes underlying CoO-effects when consumers only have limited CoO-knowledge. This “ignorant” consumer is certainly expected to search for additional information when having to evaluate a product and depending on the situation he will also be confronted with either single-cue (see arrow 3.3 in Figure 3) or multi-cue settings (see arrow 3.1 in Figure 3). In line with the moderately familiar consumer, we assume that the ignorant consumer or novice will centrally process the additional information when, due to its high predictive and confidence value, he will be motivated and able to process this additional information. Again, the CoO-cue will function as just another product attribute (see arrows 3.1.1 in Figure 3). When the additional information is of rather low predictive and/or confidence value, the consumer is expected to disregard it. Consequently, the novice is
supposed to include the CoO-cue in his evaluation of the product, even if he does not know much about the country’s products in question. We recall the study performed by Maheswaran (1994) in which it was established that novices indeed sometimes rely on CoO-information even in presence of additional product information. Under these conditions, the CoO-cue is believed to be operating as a surrogate indicator within a “specific” halo process (see arrows 3.2 in Figure 3). It should be understood as a process where the product-country knowledge network is used to infer beliefs about those product attributes to which explicit reference has been made by additional (but ambiguous or unintelligible) stimuli. It differs from a specific summary construct as well as from a specific default heuristic in that the role of additional information is reduced to zero. The latter can be explained by the fact that the ambiguity or the incomprehensibility of the additional information cues prevent consumers from any understanding or cognitive processing.

When the CoO-cue is the only cue present to evaluate a product originating from a foreign country, consumers with limited product-country expertise will employ the CoO-cue as a surrogate indicator within a “general” halo process where inferences from the limited product-country knowledge network cannot be related to specific attributes since no additional product information is externally provided (see arrow 3.3 in Figure 3). The general halo-effect differs from the general summary construct as well as from the general default heuristic in that consumers disposing of a limited product-country expertise will be forced to infer the quality of the product from a very restricted and ad hoc formed set of stereotypical beliefs like the spontaneous opinion he has about the country’s products in general. Finally, arrow 3.4 refers to the situational context irrelevant for the occurrence of CoO-effects.

Propositions about the cognitive processes underlying country-of-origin effects

Our way of reasoning starts with the assumption that consumers, when having to evaluate a product from a certain country, rely on their prior knowledge about that country’s products. Sometimes this knowledge may be sufficient for making an evaluation and sometimes it may not. To know how and to what extent the CoO will affect the evaluative tendency towards a product from a certain country, different factors have to be taken into account. We argued that the CoO-cue’s predictive and confidence value determine to a large extent the consumer’s motivation and ability to process this cue. With regard to the CoO-cue’s predictive and confidence value, we saw that it is closely related to the extent to which the consumer’s CoO-prior knowledge has been developed. In addition, we advanced the additional information about a product as another important determinant for the use of the CoO-cue. More in detail, we reasoned that the type of CoO-effect triggered by the CoO-cue also depends on the way in which this additional information is processed. This in turn was determined by the same aspects as those related to the processing of the CoO-cue, that is, the additional information’s predictive and confidence value as well as the consumer’s motivation and ability to process this additional information. Finally, the time interval between exposure to the CoO-cue on the one hand and additional information about the product on the other should also be taken into account.

With regard to the use of CoO-cues, one should systematically distinguish two situational contexts from each other. The external information may comprise either a
CoO-cue and nothing else, or a CoO-cue and additional information related to the product. This will lead to two different evaluative processes, one in which only CoO-information can be processed (i.e. single-cue setting), and the other in which the CoO-information plus the additional information may be processed (i.e. multi-cue setting). Let us retake what can be expected to happen in case consumers disposing of an extended product-country expertise are studied within a multi-cue design.

We have argued that if consumers possess sufficient prior knowledge about a country’s products, it is not always necessary for them to use additional information about the product they are confronted with. Cases in which they still turn to this additional information are when the CoO-cue is not perceived as a relevant source of information about a product’s quality characteristics. Thus, depending on the circumstances, we propose the following two processes can be expected to occur in multi-cue situations:

**P1a.** The CoO-cue functions as a product attribute processed through the peripheral route, if the consumer:

- disposes of an extended but irrelevant product-country knowledge network;
- perceives the additional information as having high predictive and confidence value and consequently has the motivation and the ability to process the additional information; and
- is confronted with the additional product-related information first.

**P1b.** Again, the CoO-cue will be processed through the peripheral route, but this time functioning within a specific summary construct process, if the consumer:

- disposes of an extended but irrelevant product-country knowledge network;
- perceives the additional information as having insufficient predictive and/or confidence and consequently has no motivation and/or ability to process the additional information; and/or
- is confronted with the CoO-cue first.

If the CoO-cue is the only externally available information, we propose the following hypothesis with respect to a single-cue situation:

**P1c.** The CoO-cue will function within a general default heuristic process if a consumer disposing of an extended product-country knowledge network only receives information about the CoO.

Consumers disposing of a moderately developed product-country knowledge network are assumed to search for additional information during the evaluation process. Again, two situations should be distinguished. If external product information containing the CoO-cue and additional information is available to the consumer, we propose the following two processes can be expected to take place:

**P2a.** The CoO-cue functions as a product attribute processed through the peripheral route, if the consumer:

- disposes of a moderately developed product-country knowledge network;
perceives the additional information as having high predictive and confidence value and consequently has the motivation and the ability to process the additional information; and
• is confronted with the additional product-related information first.

P2b. Again, the CoO-cue will be processed through the peripheral route but this time functioning within a specific default heuristic process, if the consumer:
• disposes of a moderately developed product-country knowledge network;
• perceives the additional information as having insufficient predictive and/or confidence and consequently has no motivation and/or ability to process the additional information; and/or
• is confronted with the CoO-cue first.

If the CoO-cue is the only externally available information, we propose the following:

P2c. The CoO-cue will function within a general default heuristic process if a consumer disposing of a moderately developed product-country knowledge network only receives information about the CoO.

Finally, for consumers who only possess a limited product-country knowledge network we suggest the two following propositions for the multi-cue situation:

P3a. The CoO-cue functions as a product attribute processed through the peripheral route if the consumer:
• disposes of a limited prior CoO knowledge network;
• perceives the additional information as having sufficient predictive and confidence value and consequently has the motivation and the ability to process the additional information; and
• is confronted with the additional product-related information first.

P3b. Again, the CoO-cue will be processed through the peripheral route, although functioning this time within a specific halo process, if the consumer:
• only possesses a limited CoO-prior knowledge network;
• perceives the additional information as having insufficient predictive and/or confidence value and consequently has no motivation and/or ability to process the additional information; and/or
• is confronted with the CoO-cue first.

If the CoO-cue is the only externally available information, we propose with respect to this single-cue situation:

P3c. The CoO-cue functions within a general halo process if a consumer disposing of a limited CoO-prior knowledge network only receives information on the CoO.

**Conclusions and implications**
The extended CoO-ELM model developed in this paper adds to the existing knowledge on cognitive country-of-origin effects by enabling researchers as well as practitioners
to determine the conditions under which the various country of origin-effects described in the existing literature will occur. From an academic point of view, this paper can be considered as a valuable contribution for three specific reasons.

First, we integrated several cognitive approaches for the study of CoO-effects within our framework with the intention of adding to the theoretical transparency of the phenomenon. This in turn might help the CoO-field in its struggle against the prejudice of being a rather fuzzy and uncoordinated domain. As argued already years ago by Johansson (1993), we have a lot of empirical data at our disposal, but unfortunately, we know, i.e. understand too little about the CoO-phenomenon. As long as we are unable to overcome this shortcoming, CoO-effects will continue to slip through our fingers. Not surprisingly, the first part of our study confirms the traditional criticism towards the CoO-field. That is, although a closer review of CoO-research results in a set of well-defined cognitive CoO-effects, it remains unclear how the occurrence of these different CoO-effects is related to a series of recurrently mentioned key-variables. However, throughout the second part of our study, it becomes clear that an interdisciplinary approach makes it possible to bring these different variables together in a solidly founded theoretical model. As such, we see how the determining variables relate to one another and how the different CoO-effects are dependent on the status of these determinants as well as their reciprocal relationships.

A second noticeable element is that our study differs from previous efforts to theoretically explain CoO-effects from an epistemological perspective. That is, those studies where the construction of theory was aimed at mostly followed a deductive procedure. As such, theory is the outcome of a process where logically constructed hypotheses are subjected to empirical verification. Contrary to this, the epistemological background of our CoO-ELM model is of an inductive nature, meaning that our theoretical propositions are based on empirical data already gathered in many other studies.

Finally, a third thing to be mentioned is that our study might contribute to the tentative of pushing the status of CoO-research somewhat further by turning it from a highly descriptive and exploratory field into a domain where results are to be understood in light of a more robust theoretical background that is based on a combination of logical reasoning and empirical verification.

Insight into how and to which extent the CoO-cue influences the consumer’s evaluation of a product via different routes of information processing identified within the extended CoO-ELM model, helps not only to describe but also to explain and predict the country-of-origin effect under varying conditions. It goes without saying that here resides an important practical implication of our study. On the basis of the CoO-ELM model, marketing practitioners can derive what the impact of several crucial variables will be on the structure and strength of CoO-effects during product evaluation. Indeed, the outcome of our study is a series of straightforward and clearly defined suggestions on how to treat the CoO-cue in combination with (or without) other product-related information. For instance, the CoO-ELM model suggests that when consumers have extended and favourable opinions about a country’s products, it would be best to accentuate CoO-stimuli more under conditions where it is subject to peripheral processing because otherwise, the effect exerted by additional product-related information will overshadow the CoO-effect. Contrary to this, if consumers have limited and unfavourable ideas about country’s products, a better
strategy to follow would be to camouflage CoO-stimuli. Additionally, the CoO-ELM model helps to identify a priori those cases where the product’s CoO will be of limited or even no importance at all for the evaluation of a product. Thus, the CoO-ELM model clearly contributes to a more accurate management of CoO-information. It provides better insight into how CoO-stimuli are expected to be used by consumers. To the best of our knowledge, such an elaborated practical guideline for the cognitive use of CoO-cues has not yet been proposed within the literature.

Limitations and directions for future research

Inevitably, our study is subject to some limitations. For instance, from a theoretical point of view, our model is restricted in that it only focuses on the functioning of cognitive CoO-effects. However, within the literature, several other types of CoO-effects have been identified. These range from affective CoO-effects to conative or normative effects as well (Obermiller and Spangenberg, 1989; Verlegh and Steenkamp, 1999; Verlegh, 2001). Although the latter were not within the scope of attention here, it might be interesting to find out whether these effects can be incorporated within the CoO-ELM model. Otherwise, the challenge will be to find a theoretical framework that offers an explanation for the functioning of these alternative effects as well. Semiotics might count as a valuable approach here. Semiotic theory for instance, approaches the use of marketing stimuli from a completely different perspective compared to the more classical theoretical paradigms (Friedmann and Lessig, 1986; McCracken, 1987; Fouquier, 1988; Friedmann and Zimmer, 1988; Nöth, 1988; Umiker-Sebeok, 1992; Mick et al., 2004). As such, semioticians believe that there is a link between the different ways in which a marketing stimulus can be used (i.e. to get informed about a product, to make an evaluative judgement about a product or to determine whether to purchase a product or not) and the meanings a consumer associates with this stimulus (i.e. descriptive beliefs, symbolic imagery, affects, conations, norms and values). As such, semiotic theory is more eclectic and therefore, it might be better suited to capture the broader scala of CoO-effects in its full complexity. In our opinion, here lies a first interesting topic for future research. Second, we limited ourselves to studying the processing of one’s knowledge about a country’s products instead of the country itself and its people. As discussed previously, such country-specific knowledge functions through other mechanisms than the ones included in this study. Besides trying to uncover how such country-related cognitions operate more precisely, it would be challenging to examine if and how both product- and country knowledge interact with each other during the formation of product attitude. Besides the attempts of Häubl (1996), Li et al. (1997) and Heslop et al. (2004), no efforts to empirically assess such interactions have been made yet. A third theoretical shortcoming is that our CoO-ELM model includes no more than the cognitive CoO-effects that have already been identified within the existing literature. However, a question still open for future research is to know whether there are still any other types of cognitive CoO-effects besides the ones already known. Finally, still another painstaking issue is to look for additional key-determinants of cognitive CoO-effects besides those that have been included into our model.

Besides these theoretical aspects, it is clear that the propositions formulated as the outcome of our model need to be subjected to further empirical verification. From a methodological point of view, we think it is best to test the CoO-ELM framework
within an experimental setting so that more control can be gained over the manipulation of the variables that compose the model. Additionally, due to the complexity of the model, the best strategy to follow would probably be a step-by-step procedure where the overall model is subdivided into its three main pathways with each of these taken separately and tested within both a single- and multi-cue setting.

References


Further reading


About the authors

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