The impact of national stereotypes on the country of origin effect
A conceptual framework

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Abstract

Purpose – The purpose of this paper is to advance a conceptual framework in which the impact of national stereotype dimensions on country of origin (COO) effects is explicitly modeled and decomposed.

Design/methodology/approach – This paper proposes that the perceived warmth and perceived competence dimensions of national stereotypes underlie COO effects. The conceptual framework posits research propositions on the potential interactions of these dimensions with product type (such as hedonic versus utilitarian and high- versus low-contact services), while the effects of consumer characteristics (such as cultural orientation, expertise, involvement, and ethnocentrism) are explored.

Findings – The Stereotype Content Model is a useful tool in exploring the relationship between national stereotypes and COO-based evaluations as it represents a major theoretical advance in the systematic study of stereotype contents.

Practical implications – The advanced conceptual framework holds significant practical implications for the international marketing strategies of corporations as well as nations.

Originality/value – This paper proposes an original conceptualization and testable research propositions regarding the relationship between national stereotype contents and COO-based consumer evaluations of products.

Keywords Country of origin, National cultures, National standards, Product image, Marketing strategy

Paper type Conceptual paper

Introduction

A recent advertising campaign for Singapore Airlines stated, “In this ever changing world, Singapore Girl, you’re a great way to fly,” re-introducing the warm and affectionate, “Singapore Girl” to a contemporary audience. This advertising campaign, positioning Singapore as a relatively warm, tender and friendly nation, exemplifies the use of national stereotype dimensions to influence country perceptions in marketing practice. While academic research has recognized the importance of the country of origin (COO) effect in a variety of domains, its antecedents have received surprisingly
little attention (see Heslop and Papadopoulos, 1993 for an exception). This lack of investigation is all the more startling given the strong impact of COO effects on the marketplace. The current paper seeks to address this shortcoming. For instance, despite potentially large differences in price, consumers are likely to prefer French to Austrian champagne; Italian to Finnish fashion; German to Chinese cars; and Japanese to Mexican electronics.

In particular, we propose an original conceptualization regarding the relationship between national stereotypes on the one hand and COO-based consumer evaluations of products on the other. Stereotypes represent individuals’ cognitive associations and expectations about any societal (i.e. national) group (Fiske and Taylor, 1991), while national stereotypes are qualities (whether accurate or not) perceived to be associated with a nation’s people (Schneider, 2005).

The study of national stereotypes and their contents has generated a considerable amount of attention, particularly in the area of social cognition, while a broad array of research in the areas of consumer behavior and international marketing has investigated the effects of COO on consumer evaluation. This paper attempts to merge these divergent research streams, by proposing a comprehensive conceptual framework that delineates the impact of the contents of national stereotypes on COO effects. In particular, based on the stereotype content model – SCM (Fiske et al., 1999, 2002), we propose that two independent and continuous dimensions of national stereotypes (i.e. perceived warmth and competence) influence COO effects. We advance a series of research propositions with important theoretical and practical implications.

The next sections are organized as follows: first, we present a brief review of prior research on COO effects. Next, we concentrate on the construct of national stereotypes by introducing the SCM, integrating it with past findings in the COO area, and arguing for its applicability in future COO work. Then, we propose research propositions that include implications of the contents of national stereotypes for COO effects, as well as suggest product type and consumer characteristics as moderators of national stereotype effects. The final section reviews the conceptual framework and discusses its theoretical and practical implications along with its limitations and directions for future research.

**Country of origin effects: overview**

While a product’s COO has shown robust effects on its evaluation, the conceptualizations of COO effects are more diverse. These range from the extent to which the place of manufacture influences product evaluations (Gurhan-Canli and Maheswaran, 2000), to intangible barriers to entering new markets in the form of consumer biases toward imported products (Wang and Lamb, 1983). However, specifying a product’s COO is becoming even harder, because global sourcing and manufacturing have resulted in many products having dual or multinational origins. For example, a Toshiba television may be assembled in Mexico, but include Japanese, Mexican, or even American parts. At the same time, the Toshiba brand name is associated with Japanese origin.

Following Zhang (1996, p. 51), we define COO simply as “information pertaining to where a product is made,” which is usually operationalized and conveyed with the phrases “Made in” and the country name (Amine et al., 2005).
Next, Table I provides a brief summary of past research and the findings are outlined in this section. Given the large amount of COO-related literature, this is not meant to be a comprehensive review but rather an overview that provides the background for the subsequent development of our conceptual framework and research propositions.

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Table I. Selected literature review of COO effects
Single-cue versus multi-cue COO effects
As the Table I outlines, the earliest studies examined the effect of COO when presented to consumers as a single information cue and found a significant impact on evaluations of products (Schooler, 1965; Nagashima, 1970). COO research has mainly studied the use of COO from an information processing perspective; that is, as a signal that can be used to make inferences regarding unobservable attributes such as product quality (Wall et al., 1991). When COO is just one cue among many (such as price or retailer reputation, for example), its effect on consumer attitudes is diluted (Johansson et al., 1985; Agrawal and Kamakura, 1999).

Multiple COO cues (hybrid) effects
The literature suggests that in cases of hybrid products, where multiple COO cues are embedded in one product, consumers tend to use the perceived country of brand origin as well as its country of manufacturing as distinct quality cues (Han and Terpstra, 1988). Early studies by Han and Terpstra (1988) and Tse and Gorn (1993) found that country of manufacturing had a larger effect on evaluations than country of brand. More recent studies, however, have found the opposite effect, with country of brand origin accounting for the highest impact (Hui and Zhou, 2003; Srinivasan et al., 2004).

Product type effects
COO effects do not impact evaluations of all types of products alike. A number of studies found that COO effects on evaluation vary by product type (Roth and Romeo, 1992). Kaynak and Cavusgil (1983) found that Japanese electronic products received higher quality evaluations than Japanese food products. Furthermore, LeClerc et al. (1994) found that perfume products with a French-sounding brand name association are perceived to be more hedonic than those that lack this distinction.

Consuming country and cultural orientation effects
Cross-country studies have found that COO effects also differ across consuming countries (Narayana, 1981; Heslop and Papadopoulos, 1993), which may be due to the antecedent role of culturally shared national stereotypes whose specific contents tend to vary across cultures. Furthermore, Gurhan-Canli and Maheswaran (2000) found that collectivistic cultures have the tendency to consistently favor domestic over foreign products.

Consumer expertise effects
Similar to how other extrinsic cues operate, the COO effect has been found to fluctuate by consumers’ level of expertise with the product category (Eroglu and Machleit, 1989). For example, Han (1989) found when familiarity with a particular country’s products is low, national stereotypes operate as a halo, allowing consumers to evaluate any unfamiliar product associated with that nation.

Consumer involvement effects
Since, COO cues can serve as heuristic shortcuts, their use may also be moderated by consumers’ level of involvement. When involvement is high, the motivation to engage in information processing is also expected to be high, which in turn leads to analytical processing that discourages the use of heuristics. In fact, Gurhan-Canli and
Maheswaran (2000) demonstrated that the COO effect is reduced under high-consumer involvement.

**Consumer ethnocentrism effects**

One of the most researched variables moderating the COO effect is a consumer’s level of ethnocentrism (Shimp and Sharma, 1987). In highly ethnocentric consumers, the COO cue has a relatively larger effect on product evaluations, on purchase intentions, and willingness to buy foreign products. The literature suggests that consumers high in ethnocentrism generally pay more attention to the COO cue, often perceiving the consumption of imported products as socially undesirable and unpatriotic. For example, although these consumers are a minority of the US market, their attitudes toward the COO cue can be strongly held and disseminated, often as an economic, political or cultural backlash to the perceived threats posed by globalization (Balabanis et al., 2001).

**National and country stereotypes**

In addition to its role as a cognitive shortcut, COO also links a product to an associative network of culturally-shared national stereotypes with cognitive, affective and normative connotations (Obermiller and Spangenberg, 1989; Verlegh and Steenkamp, 1999). In this paper, we adopt the standard definition that stereotypes are “beliefs about the characteristics, attributes, and behaviors of certain groups” (Hilton and von Hippel, 1996, p. 240). As a cognitive process, COO is a heuristic for making inferences about product quality. As an affective process, COO is a stereotype-driven attribute that links the product to positive and/or negative emotional associations with particular nations (Verlegh and Steenkamp, 1999). Finally, as a normative process, consumers may hold socially desirable behavioral norms linked to COO cues. When such norms exist regarding the correctness of purchases of products from specific nations, or of all non-domestic products for that matter, COO may affect purchase intentions directly, regardless of any product-related beliefs.

Despite the importance of investigating the role of national stereotypes as an antecedent to COO effects, there has been a shortage of theoretically driven research to investigate the effect of the national stereotypes construct and its specific contents as an antecedent of the COO effects. In one of the few studies of the impact of national stereotypes on COO, Heslop and Papadopoulos (1993) found that the cognitive, affective and normative factors of national stereotypes affect COO-based product evaluations. In another study of country-related images, Martin and Eroglu (1993) found that the political, economic and technological factors of country stereotypes have an effect on COO-based product evaluations. Next, we discuss the SCM which decomposes national stereotype into two independent dimensions.

**National stereotypes and the stereotype content model (SCM)**

Regardless of the significant interest in investigating the COO phenomenon, there has been relatively sparse effort to integrate the findings of the consumer behavior and international marketing literature with those of the social cognition literature on stereotypes. In an influential work in political science, Boulding (1956) conceptualized the “image” of a nation as a perceptual structure consisting of cognitive, affective and evaluative components. This conceptualization mirrors the previously discussed
cognitive, affective and normative mechanisms for COO effects. The evaluative component of national image in particular, provides a connection between the cognitive and affective aspects of national stereotypes and the COO effect.

One model that decomposes the specific dimensions of national stereotypes is the recently advanced SCM by Fiske et al. (1999, 2002). The SCM partitions stereotypes into two orthogonal and continuous dimensions, perceived competence and perceived warmth. According to Fiske et al. (2002, p. 881):

... out-groups are perceived as more competent to the extent that they are perceived as powerful and high status ... (and) as relatively warm and nice to the extent that they do not compete with others.

It follows that a nation’s perceived status predicts its competence ratings and its level of perceived competitive threat predicts its warmth ratings. The Fiske et al. (2002) study utilized a continuous measurement scale composed of six “competence” traits (competent, intelligent, confident, efficient, competitive, and independent) and six “warmth” traits (friendly, well-intentioned, sincere, good-natured, warm, and trustworthy).

Although the two dimensions are assumed to be independent, the model posits that stereotype contents are frequently mixed between these two dimensions, resulting in stereotypes that combine higher warmth with lower competence or higher competence with lower warmth. Only members of a perceiver’s in-group (defined as a group that the evaluator perceives to be a member of) and its allies are ascribed stereotypes with higher scores on both independent dimensions, as a result of in-group favoritism (Tajfel, 1981).

In this paper, we propose that the SCM is a useful tool in exploring the relationship between national stereotypes and COO-based evaluations as it represents a major theoretical advance in the systematic study of stereotype contents. The SCM proposes qualitative differences in stereotype contents based on perceptions of the evaluated group’s relative status and level of competitive threat, with perceived status predicting higher competence and perceived competition predicting lower warmth. Applied to a consumer context, perceived warmth may represent the more affective dimension of consumer attitudes toward a nation’s peoples and its products, whereas perceived competence may represent the more cognitive component.

The empirical testing of the SCM confirms that most out-groups receive mixed stereotypes (Fiske et al., 1999, 2002). In the case of stereotypes toward “Asian-Americans” for example the perceived high status and competitiveness of this group, resulted in higher perceived competence but lower perceived warmth scores (Fiske et al., 1999, 2002). The chief implication of these studies is the existence of diverse stereotypes of two minds toward out-groups; namely, that most stereotypes tend to be positive on one dimension, competence or warmth, but generally not on both.

In a COO consumer context, a study by Heslop and Papadopoulos (1993) investigated the relationship between views of countries and their people with views of products. Their empirical study included an 11-item scale that combined questions on country as well as national image. Exploratory factor analysis indicated three underlying constructs showing the following scale items loading on each factor:

(1) “affect” (refined taste, trustworthiness, role in world politics, and likeable people – analogous to the perceived warmth dimension;
(2) “belief” (industriousness of the people, management of the economy, and technological advancement – analogous to the perceived competence dimension; and

(3) “behavioral link” (more investment, closer ties).

Furthermore, the Heslop and Papadopoulos (1993) study found that both the belief and affect factors significantly correlated with product performance evaluations as well as with consumers’ willingness to buy. The authors (p. 67) state that:

... overall then, good products come from countries whose industrial prowess we respect [a trait clearly akin to competence] and whose people we like [a trait clearly akin to warmth] and admire.

The SCM findings add conceptual and empirical support to the Heslop and Papadopoulos (1993) exploratory findings regarding the dimensionality of national stereotypes. However, the SCM as put forth in this paper is a more useful tool in exploring the relationship between national stereotypes and COO-based product evaluations as it represents a theoretical advance in the study of stereotype contents, in contrast to the exploratory nature of the Heslop and Papadopoulos (1993) study.

The SCM lends itself as a tool for COO research is that it posits that societal stereotypes are often mixed on competence and warmth, as defined by low ratings on one dimension coupled with high ratings on the other. Consequently, mixed stereotype contents could be expected to have differential effects across product types, with significant managerial implications. This is a crucial theoretical advance from the Heslop and Papadopoulos (1993) conceptualization that stereotypes are uniform and consistent in nature, with no distinction between the relative effects of their belief and affect factors, arguing for a general attitude consistency explanation instead. From a COO effect perspective, the SCM represents an intriguing theoretical advance, holding a number of important implications for future research that will be explored in the following sections. These research propositions are shown in Figure 1 (conceptual framework and research propositions).

In the next section, we propose that the dimensions of perceived warmth and competence positively affect the COO effect on product evaluation. In subsequent
sections, we argue that product type, and the consumer characteristics of cultural orientation, expertise, involvement and ethnocentrism are determinants of how national stereotype impacts the COO effect on product evaluation. Although previous research has shown that these factors may also determine the influence of COO effects on product evaluation, our paper’s propositions focus on the direct influence of national stereotypes and their contents as antecedents of COO effects.

Implications of the perceived competence and warmth dimensions of national stereotypes for the COO effect on evaluation: research propositions
National stereotypes are perceptual representations often employed in evaluations pertaining to members of that nation. Although there has been little empirical work on the origins of stereotype contents, most of our prevailing stereotype perceptions are formed based on a combination of at least some direct and indirect (i.e. through education or the media) experience with relevant national groups (Schneider, 2005). In this paper, we assume that consumers are able to position any country somewhere on the warmth/competence dimensions based on some prior knowledge or familiarity with a nation. By default, relatively unfamiliar countries are expected to receive neutral to lower attributions. Building upon the reviewed stereotyping literature in social psychology and specifically, the SCM, it is expected that positive (negative) national stereotypes (both perceived competence and perceived warmth) will lead to objects or products associated with the evaluated country’s people to be positively (negatively) evaluated. Thus, it is proposed that:

P1. The perceived competence and perceived warmth dimensions of national stereotypes influence the COO effect on the evaluation of products.

Product types as determinants of the effects of national stereotypes contents on COO effects on evaluation
Whereas as stated, both dimensions of national stereotypes have a positive effect on product evaluation, this relationship may not be equally strong for all types of products. Prior research (LeClerc et al., 1994) suggests that product type moderates COO effects, so that we propose that product type also influences the effect of national stereotypes on COO evaluations. Therefore, the next propositions examine the moderating role of product type. Specifically, we examine first the hedonic versus utilitarian dimensionality of products, and secondly the low- versus high-contact services distinction on the effect of the perceived competence and perceived warmth dimensions of national stereotypes on the COO effect.

Hedonic versus utilitarian products. While some inferences about a COO and its peoples are globally projected onto all the products associated with that country (i.e. the overall effect of the national brand), research has shown that COO-based perceptions may also vary across product categories. For instance, Kaynak and Cavusgil (1983) found that Japanese electronic products received high-quality evaluations while Japanese food products received low ones. Thus, while national stereotypes do occur at the macro or global level, they also appear to be operating at the micro or product type level. Furthermore, Liefeld’s (1993) meta-analysis indicated that the magnitude of COO effects is related to product type. Specifically, the
magnitude of the COO effect was found to be larger for technically complex, fashion-oriented, or expensive products.

One product type categorization scheme that we concentrate on in this research is based on the hedonic versus utilitarian value product classification (LeClerc et al., 1994). Utilitarian products reproduce a “work mentality” that reflects the economic and functional benefits they provide, while hedonic products mirror an experiential view relating to the affective responses elicited by a product (Holbrook and Hirschman, 1982; Voss et al., 2003). Prior research has investigated the moderating effect of utilitarian versus hedonic properties on COO evaluations. For example, in an influential experimental study, LeClerc et al. (1994) found that the French pronunciation of a brand name affects the perceived hedonic properties of products as well as attitudes toward the brand. For utilitarian products, on the other hand, a product with a French brand name was liked less than a product with an English brand name because of a poorer fit between the features triggered by the cultural stereotype and the product feature.

Following Dhar and Wertenbroch (2000), we define hedonic goods as ones whose consumption is primarily characterized by an affective experience, whereas utilitarian goods are ones whose consumption is more cognitively driven. A study by Mano and Oliver (1993) found that products that rated high on a scale measuring hedonic attributes were closer to the consumer’s affective experience, as measured by both a “pleasantness” and “positive affect” scale, than products that rated high on a utilitarian attributes scale. Recent research confirms that affective responses are more likely to have an effect on product evaluations that are based on hedonic rather on utilitarian criteria (Yeung and Wyer, 2004).

This classification of products into hedonic versus utilitarian based on their affective versus cognitive evaluations suggests that the warmth and competence dimensions of national stereotypes may differentially affect the COO effect on evaluations of products that vary in terms of their level of hedonic versus utilitarian properties. Given that the perceived competence dimension consists of intellectual and functional traits describing a country’s people, whereas the perceived warmth dimension consists of social and affective traits describing a country’s people, it is hereby posited that perceived competence has a stronger effect on the evaluation of utilitarian products and that perceived warmth has a stronger effect on the evaluation of hedonic ones. We therefore propose the following:

P2. The perceived competence dimension of national stereotypes determines the COO effect for evaluations of utilitarian (versus hedonic) products.

P3. The perceived warmth dimension of national stereotypes determines the COO effect for evaluations of hedonic (versus utilitarian) products.

High-contact versus low-contact services. Little empirical research exists concerning the COO effect on services. Service delivery inherently includes customer contact and interaction with employees, so that stereotypes pertaining to the service personnel’s national origin may exert greater overall influence on consumer’s evaluations of services than on their evaluations of tangible goods (Mattila, 1999). Furthermore, an empirical study by Harrison-Walker (1995) found that selection of a service provider is dependent on the interaction between service provider nationality and consumer nationality, with consumers generally favoring same-nationality service providers.
In many service encounters however, the nationality of the service provider is of a hybrid nature, such as in the case of a Mexican receptionist interacting with a German tourist at the Mexico City InterContinental (i.e., US-owned) hotel. In such cases, the nationality of the corporate origin may be different from that of the frontline service personnel. For the purposes of developing a research proposition in this section, we assume that the nationality of the service-providing personnel and of the corporation is the same. This assumption reflects the more recent findings on hybrid products in which the COO of the brand (or of the corporation) has a stronger effect on consumer evaluations than the country of manufacture (Hui and Zhou, 2003; Srinivasan et al., 2004). Furthermore, in an increasingly “flatter” world, companies engage in the outsourcing of their service products, typically training their “foreign” employees in projecting a uniform image that reflects the country of brand origin (Friedman, 2005).

Furthermore, services differ in their level of contact between the customer and the firm; yet the interface between the customer and the firm, often referred to as customer contact, is the seminal element of service products (Kellogg and Chase, 1995). These authors found that a relatively high level of emotional intensity and intimacy between the customer and the service provider characterizes high-contact service interactions, such as tourism. This relationship was weaker for low-contact service interactions, such as the one between a bank teller and a customer.

Following a study by Granovetter (1973), the strength of a customer-service provider tie is a combination of the emotional intensity, the intimacy, the amount of interaction time, and the reciprocal services that characterize the relationship. The level of emotional response to a service interaction, especially one that involves a higher level of cross-cultural contact and interaction is critical. Given that high-contact services are characterized by a higher level of emotional intensity, intimacy and interaction time we expect that the potential (favorable or unfavorable) impact of perceived warmth on COO-based evaluations will be higher for high-contact services and we propose that:

\[ P4. \] The perceived warmth dimension of national stereotypes determines the COO effect for evaluations of high-contact (versus low-contact) services.

**Consumer characteristics as determinants of the effects of national stereotypes contents on COO effects on evaluation**

**Consumer cultural orientation.** Cross-cultural differences in how individuals construe the self, others, and the interaction between the two, as well as their impact on emotion, cognition, and motivation have emerged as one of the most investigated aspects in psychology and consumer behavior (Markus and Kitayama, 1991). In this research, we focus on the cultural orientation of individualism and collectivism because interest in this cultural dimension as demonstrated by prior research in general (Aaker and Maheswaran, 1997; Han and Shavitt, 1994; Hofstede, 2001; Kramer et al., 2007), as well as its impact on COO effects and national stereotypes (Gurhan-Canli and Maheswaran, 2000) in particular. We suggest that cultural orientation may moderate the consequences of national stereotypes, representing an important boundary condition of the effects we have predicted. Practically, research in this area will help global managers active in both individualist and collectivist cultures adjust their marketing strategy. Further, differences in individualism-collectivism are found not only between, but also within, cultures. For example, subcultures in the individualistic USA, such as
Hispanics (Marín and Triandis, 1985), are actually relatively collectivistic, so that understanding the influence of cultural orientation on the effects of national stereotypes even more important.

Individualism-collectivism describes a culture's emphasis on the individual versus the larger collective (Hofstede, 2001). For example, Hofstede identified the USA as one of the most individualistic cultures and Japan as one of the most collectivistic. Two defining attributes of individualism-collectivism that may affect the degree to which consumers rely on national stereotypes in evaluating foreign products are the definition of the self and the degree to which personal goals take precedence over group goals (Triandis, 1995). Members of collectivistic cultures tend to emphasize collective aspects of the self and are oriented toward their in-group. On the other hand, individualists emphasize the self as distinct from others, and personal goals take precedence over group goals. However, the importance of collectivists' group orientation is limited to relevant in-groups, such as family, friends, or the nation as a whole; out-groups are not afforded the same special consideration. Thus, collectivists (versus individualists) make a greater distinction between in- and out-groups (Oyserman, 1993; Triandis et al., 1988).

The mere perception of belonging to a group is sufficient to provoke inter-group competition and discriminatory or stereotypical responses on the part of group members toward those perceived as outsiders (Tajfel, 1981). A higher level of in-group identification thus often drives more negative out-group attitudes (Hewstone et al., 2002), even more so than does out-group derogation. For example, Gurhan-Canli and Maheswaran (2000) find that collectivists always rate home products more favorably regardless of their superiority, because they are willing to sacrifice their own goals for those of the collective (Japan), whereas individualists evaluate home products more favorably only when they are superior.

Because of collectivists' greater in-group favoritism and greater out-group derogation, we propose that cultural orientation moderates the degree to which the two dimensions of stereotype content affect evaluations of foreign products:

P5. The perceived competence dimension of national stereotypes determines the COO effect on evaluations for consumers high in collectivism (versus individualism).

Vertical collectivism and individualism. While we propose that there are differences in the degree to which collectivists versus individualists rely on national stereotypes when evaluating foreign goods, we expect this effect to be moderated by stable and predictable within-culture differences. In particular, Singelis et al. (1995) argue that individualism-collectivism is a multidimensional construct, which can be further divided into horizontal and vertical dimensions that describe how much emphasis individuals place on horizontal versus vertical relationships. Following Singelis et al.'s (1995) seminal proposition, the distinction between horizontal and vertical dimensions of individualism and collectivism has recently received increased attention in the literature (Aaker, 2006; Meyers-Levy, 2006; Oyserman, 2006; Shavitt et al., 2006).

Overall, cultures high on the horizontal dimension emphasize equality, whereas cultures high on the vertical dimension emphasize hierarchy and status. According to this classification, the USA is high on vertical individualism, Sweden and Australia are high on horizontal individualism, and India and Greece are high on vertical collectivism.
Lastly, an Israeli kibbutz is an example of horizontal collectivism. The horizontal versus vertical distinction is an important one to make. For example, cross-cultural differences in COO effects are explained by differences on the vertical dimensions of individualism and collectivism, which is similar to Hofstede's (2001) dimension of power distance. Differences on the horizontal dimension do not account for differential COO biases (Gurhan-Canli and Maheswaran, 2000).

Additionally, the horizontal and vertical dimensions may also differentially impact the effects of status and competition as antecedents of stereotype content. As discussed previously, Fiske et al. (2002) find that perceived group status predicts competence, and competition predicts lack of warmth. Vertical collectivism describes a cultural pattern in which individuals perceive themselves as parts of a collective whose members are distinct and of unequal status. Since, the vertical (versus horizontal) collectivism dimension emphasizes hierarchy and status, and status predicts competence (Fiske et al., 2002), we propose that individuals high (versus low) in vertical collectivism place more emphasis on the competence dimension of national stereotypes:

P6a. For consumers high (versus low) in vertical collectivism, the perceived competence dimension of national stereotypes determines the COO effect on evaluations.

Next, individuals in cultures high on vertical individualism see themselves as distinct from the collective, accepting inequality among individuals and competition as an important part of the culture. Since, the vertical (versus horizontal) individualism dimension measures individuals’ attitude toward competition and winning and competition predicts lack of warmth (Fiske et al., 2002), we propose that individuals high (versus low) in vertical individualism place more emphasis on the warmth dimension of national stereotypes:

P6b. For consumers high (versus low) in vertical individualism, the perceived warmth dimension of national stereotypes determines the COO effect on evaluations.

Consumer expertise. The fundamental paradigm that has guided COO research is that consumers evaluate products on the basis of intrinsic (e.g. taste, style, performance and quality) and extrinsic (e.g. brand name, retailer reputation and price) information cues (Olson and Jacoby, 1972). Consumers apply extrinsic cues in evaluating a product because they are often unable to detect its true intrinsic attributes prior to actually experiencing it. Thus, the COO cue is often conceptualized as one of these extrinsic cues.

The COO effect on evaluations has been shown to differ by consumers’ level of expertise with the product (Eroglu and Machleit, 1989). In this research, we propose that level of expertise or familiarity also determines the impact of national stereotypes contents on the COO effect on evaluations.

According to Alba and Hutchinson (1987, p. 411), familiarity is defined as “the number of product-related experiences that have been accumulated by the consumer over time.” “Halo” has been conceptualized as the transfer of overall attitudes toward a stimulus (i.e. a product associated with a particular COO) on specific beliefs about the product’s attributes (Beckwith and Lehmann, 1975). In the case of the COO effect, it is conceivable that pre-existing national stereotypes serve as a halo from which consumers make inferences about all products associated with these stereotypes.
Alba and Hutchinson (1987) proposed that novices are more likely than experts to rely on such halo-based evaluation processes.

It can therefore be postulated that in accordance with the halo construct, when familiarity with a particular country’s products is low, national stereotypes operate as a halo, allowing consumers to evaluate any product associated with that nation (Han, 1989). In contrast as consumers become more familiar with a country’s products, country image becomes a “summary” construct that encapsulates consumer beliefs based on accumulated consumer knowledge about the country’s products rather than on national stereotypes. Additional empirical support for COO operating as a halo construct when familiarity with a country’s products is low comes from Maheswaran (1994) who found that when product information was unambiguous, novices relied on the COO cue while experts based their product evaluations on attribute strength. It is thus proposed that:

\[ P7. \] Consumer expertise with a country’s products moderates the COO effect of the perceived competence and warmth dimensions of national stereotypes on evaluations of products, such that the effect is greater (lower) for novices (experts).

**Consumer involvement.** The involvement construct captures the perceived personal relevance of a product to an individual. A higher level of involvement reflects a durable psychological connection between a consumer and a product (Petty and Cacioppo, 1986). Two conceptual frameworks that account for the effect of involvement on the formation of attitudes are the heuristic/systematic model (Chaiken, 1980) and the elaboration likelihood model (Petty and Cacioppo, 1986). The Chaiken (1980) model postulates that systematic processing that integrates all useful information will only occur at a high level of motivation and cognitive capacity. Alternatively, a lower level of motivation reduces the degree of systematic processing while increasing the utilization of heuristics, such as stereotypes, in the evaluation process. According to Petty and Cacioppo’s (1986) elaboration likelihood model, a higher level of involvement is expected to increase the motivation to engage in analytical information processing, leading to a lower reliance on cognitive shortcuts, such as stereotypes.

Adding support to the moderating role of motivation on the effect of mental heuristics, Fiske and Taylor (1991) proposed the “motivated tactician” metaphor as an extension of the “cognitive miser” metaphor that is based on an information-overload paradigm. The “motivated tactician” metaphor assumes that people normally engage in heuristics, unless motivated by their current goals or involvement level to go beyond them.

Since, national stereotypes can serve as heuristic shortcuts, the above discussion suggests that their use may be moderated by consumers’ level of involvement. When involvement is high, the motivation to engage in information processing is also expected to be high, which in turn leads to analytical processing that discourages the use of national stereotypes heuristics. An experimental study by Gurhan-Canli and Maheswaran (2000) confirmed the impact of involvement on the COO effect on evaluations. Their study found that when involvement is lower, consumers utilize COO as a basis for judgment. In contrast, under higher involvement, consumers are less likely to incorporate the COO in their evaluations. It is thus proposed that:

\[ P8. \] Consumer involvement moderates the COO effect of the perceived competence and warmth dimensions of national stereotypes on evaluations of products, such that the effect is greater (lower) following low (high) involvement.
Consumer ethnocentrism. The construct of consumer ethnocentrism is adapted from the social-psychological syndrome of ethnocentrism, according to which members of an in-group universally view fellow members as being superior and more virtuous than non-members (Levine and Campbell, 1972). Consumer ethnocentrism captures the personal disposition to behave in some conforming fashion across all domestic and foreign products. Shimp and Sharma (1987) conceptualized the construct to represent the beliefs held by consumers about the correctness or social appropriateness of buying foreign products. Ethnocentric consumers believe that buying foreign products is unpatriotic, morally wrong and potentially, self-defeating.

A large number of studies generally support the proposition that when consumer ethnocentrism is high, so is the effect of COO on product evaluation and purchase intention (Knight, 1999). Adding a level of abstraction and given that consumers high in ethnocentrism pay more attention to the COO cue while exhibiting a greater dependence on national stereotypes for the sake of crafting their own national identification, it is proposed that:

\[ P9. \] Consumer ethnocentrism moderates the COO effect of the perceived competence and warmth dimensions of national stereotypes on evaluations of products, such that the effect is greater (lower) for more (less) ethnocentric consumers.

Discussion
Although it is well accepted in the COO literature that national stereotypes play a leading role in product evaluation, insufficient light has been shed on the applicability of their components in a consumer context. The conceptual framework advanced in this paper significantly extends our knowledge of the COO effect on consumer evaluations of products by partitioning the contents of national stereotypes, investigating the dynamic relationship between their components and tracing out relationships between their dimensionality and evaluations of products of different type, based on theoretically-important consumer characteristics such as cultural orientation, expertise, involvement and ethnocentrism. As such, the paper contributes to a more holistic understanding of the COO phenomenon by focusing on the antecedent effect of the national stereotypes construct.

The advanced propositions make a theoretical contribution to the literature in international marketing by first, conceptualizing the contents of national stereotypes as antecedents of COO effects and then, by suggesting relationships between national stereotypes and attitudes toward products, as moderated by a number of product and consumer characteristics. Further, with its focus on the bi-dimensionality of stereotype contents, our conceptual framework extends important concepts from consumer behavior – such as the utilitarian and hedonic dimensions of product experience – to an original context, that of national stereotype and COO effects.

Managerial implications
Corporate-level. National and multinational corporations often incorporate national stereotypes into their manufacturing, sourcing, investment and marketing strategies. Once empirically verified, the research propositions advanced in this paper provide important insight into consumer response to products associated with various nations and their associated stereotype contents. The potential applications of our proposed
framework range from branding to advertising and product design: firms operating in
different national contexts must capitalize on the perceived strengths of the firm’s
national image as it relates to the particular type of product and consumer
characteristics. Corporations often rely on the strength of a firm’s national image and
the research propositions advanced in this paper will help them understand how this
should be done, based on the nature of their products and markets. For example, a firm
that markets products with higher hedonic properties should generate and
communicate associations with nations that enjoy perceived warmth. Clothing
exporters from around the world, for example, often employ French or Italian-sounding
brand names, in an attempt to benefit from the perceived warmth associated with these
nations, particularly when marketing hedonic products. In some cases, firms may
strategically select to communicate an origin country entirely different from their own
to overcome the negative associations of their home country or to appropriate positive
stereotypes of another nation. The overall image of bi-national (or hybrid) products
could benefit by deliberate strategies to incorporate national origin cues that are
compensatory in terms of their perceived competence and warmth dimensions, similar
to principles of co-branding strategies.

Some companies may want to consider a hybrid positioning strategy by projecting
both competence and warmth in their manipulation of national origin. For instance, they
could follow L’Oreal’s strategy who has made a deliberate effort to diversify the
perceived cultural origins of its brands to include “New York street smarts or French
beauty,” promoting an image of both competence and warmth (Edmondson, 1999, p. 71).

Lastly, the proposed framework implies that services firms, especially those that
offer high-contact interactions such as airlines, hotels and vacation resorts that are
often characterized by a higher level of emotional intensity, should expect a higher
potential impact (favorable or unfavorable) of the perceived warmth dimension of
national stereotypes.

Nation-level. It is clear that national images affect how consumers evaluate a
country as a potential tourist destination, an investment podium or a source of
consumer goods. As globalization increases, nations compete with each other to
successfully export their goods and services, attract tourism and foreign investment
(Kotler et al., 1997). As a result, nations must position and differentiate themselves in
the perceptions of consumers, managers and investors.

The consequent strategy of “nation branding” aims at cultivating a unique and
positive brand image of the nation and its associated symbols (Ollins, 1999). Some recent
examples of nation branding strategies undertaken by developed as well as developing
countries include; “Rebranding Britain: Cool Britannia,” “Enterprise Ireland,”
“Singapore: Synergy for Success,” “Italian Made: the Quality of Life,” “Thailand,
Land of Diversity and Refinement,” “the New Zealand Way,” “Incredible India,”
“Malaysia, Truly Asia” and “South Africa: Alive with Possibility” to name a few.

As with all marketing communications outcomes, it would be very difficult to
isolate the direct influence of such nation branding and positioning strategies on
sales-related metrics such as foreign direct investments, tourism revenue or exports of
goods and services. Nevertheless, longitudinal studies have shown that COO attitudes
can indeed change over time (Wood et al., 1999). Furthermore, a study investigating the
impact of hosting international events such as the Olympics on country images found
that, as a respondent’s media exposure to the Olympic Games increased, there were
positive effects on attitudes toward electronic products made in South Korea as well as on the overall image of South Korea as a producing country (Jaffe and Nebenzahl, 1993).

The conceptual model put forth in this paper holds significant managerial implications for corporations and national governments alike, especially in the emergent field of the nation as a brand and the overall marketing strategies of countries. As Figure 2 shows, our framework suggests that nations should deliberately project an image of competence and/or warmth, respectively, based on the type of product and consumer market characteristics that they target. Nations that are currently attributed higher competence and lower warmth are best suited for exporting utilitarian products and low-contact services, while those nations that are ascribed lower competence and higher warmth are most fit for exporting hedonic products and high-contact services. Nations who are presently perceived as lower on both stereotype dimensions should attempt to make themselves more familiar and reposition by projecting an image of higher warmth and/or competence that is most consistent with their export product mix. Finally, nations who enjoy both higher competence and warmth should maintain this most favorable position.

While in the short-term it would be desirable for a favorable fit to occur between the current national stereotype and the nation’s export product characteristics, in the long-term – as they diversify their international marketing efforts – nations may wish to strategically promote their relatively weaker stereotype dimension. Nations with a high level of perceived competence such as Germany, Singapore and Japan for example, should infuse their national brand with warmth, especially when they are

<table>
<thead>
<tr>
<th>National Stereotype Dimension</th>
<th>Lower Warmth</th>
<th>Higher Warmth</th>
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<tbody>
<tr>
<td><strong>Higher Competence</strong></td>
<td>Mixed Position: Best Fit for Utilitarian Products and Low-Contact Services (e.g., United Kingdom)</td>
<td>Most Desirable Position: Need to Maintain (e.g., France)</td>
</tr>
<tr>
<td><strong>Lower Competence</strong></td>
<td>Least Desirable Position: Need to Reposition and/or make country more familiar by promoting higher Competence and/or Warmth (e.g., Belgium)</td>
<td>Mixed Position: Best Fit for Hedonic Products and High-Contact Services (e.g., Italy)</td>
</tr>
</tbody>
</table>

**Source:** Nation examples shown are adopted from a study of German perceptions of the European Union (Fiske 2004, p. 418)
promoting hedonic or high-contact services products. Singapore Airlines’s utilization of the Singapore Girl icon is an example of such an advertising appeal to compensate for the lack of perceived warmth attributed to the nation of Singapore that is often stereotyped as being competent perhaps, to a fault. On the other hand, countries that currently enjoy a high level of perceived warmth such as Greece for instance, should concentrate on projecting an image of competence. The successful hosting of the Athens 2004 Olympics generated a considerable amount of positive publicity for the host nation of Greece. As a result, a recently conducted cross-national public opinion survey found Greece to be perceived as a “modern European country” that organized “technically excellent” Olympic Games with a “human dimension” (www.Athens2004.com, 2004).

Limitations and further research implications
The conceptual framework presented in this paper offers a comprehensive set of research propositions for empirical validation. The lack of empirical verification of our model, a limitation of our paper, can be addressed in future empirical studies. Experimental designs could test the proposed interactions of the hedonic/utilitarian ($P2$ and $P3$) and high-/low-contact ($P4$) properties of products with the warmth/competence dimensions of national stereotypes, while also testing for the moderating role of consumer characteristics ($P5$-$P9$).

Once the above propositions are empirically tested, there would be a number of implications for future research. First, our conceptual model could be expanded to include COO effects on product evaluation, the ultimate variable of interest in consumer research. Second, it would be worthwhile to investigate the effects of multiple (either complementary or contradictory) national stereotype contents, such as of the countries of brand origin, design, and manufacture.

Finally, as consumer familiarity with a nation’s products increases, the contents of the associated national stereotype may become increasingly based on consumer evaluations of that nation’s products as a summary construct. It would be interesting to further examine the nature of the relationship between national stereotypes and the COO effect over time. As nations evolve in their level of economic development and subsequently, level of perceived status and competitive threat, the specific contents of their national stereotypes may also shift.

References


**Further reading**


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