

The Effect of the Foreign Brand on Consumer Perception

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The paper empirically examines the influence of brand names (foreign versus national) on consumer perception. The paper also investigates how product ratings affect the relationship between brand names and consumer perception which is measured by brand attitude, purchase intention, advertisement feeling, and advertisement attitude. The results show that the national brand elicits more positive consumer perception than the foreign brand. The findings suggest that product attribute information moderates the relationship between brand names and consumer perception. The results are important and relevant to branding strategies marketers use to counteract competitive brands.

Globalization and free trade agreements have drastically increased the variety of options consumers must consider when buying a product. This plethora of options can cause consumers some consternation. Namely, how does one evaluate a product offering? Consumers rely on several strategies to determine their choices: go with the country of origin (COO), go with the brand, or go with the product attribute he or she most prizes in the product.

Information on COO can affect product evaluations and purchase decisions. Consumers are more interested in whether a particular brand is manufactured by foreign-owned or domestically-owned companies (Haubl, 1996; Papadopoulos & Heslop, 1993). An extensive stream of literature has developed over the past few decades not only to address the influence of COO labels on consumer perception, but also to test factors other than the COO information which can potentially affect consumer evaluation (Al-Sulaiti & Baker, 1998; Samiee, 1994). The COO literature has examined a large number of factors in conjunction with the COO information in a number of frameworks. For example, Sharma et al. (1995) develop a model testing antecedents and moderators of consumer ethnocentrism. Whereas researchers have explored the effects of brand names on consumer perceptions, they have yet to investigate whether product attributes such as product ratings may moderate the effect of a brand name on consumer perception.

This study examines how brand names that reflect COO affect consumer evaluation. Secondly this study investigates how brand names that reflect COO interact with product ratings and what influence they might have on consumer attitude toward the brand, purchase intentions, advertisement feeling, and attitude toward the advertisement. The study relies on sport shoes as a focal product. The study is implemented to answer the following research questions:

- (1) Do foreign brand names have a different influence on consumer perception than do national brand names?
- (2) Does the product attribute information moderate the impact of brand name on consumer perception?

This paper presents a theoretical framework incorporating brand name and product attribute information. First it addresses the extant literature for each concept. Then, it presents the theoretical framework leading to the development of hypotheses. Methodology designed to test the hypotheses is then specified. The paper concludes with discussions, limitations, and suggestions for further research.

The findings of this study will offer managers and academics a better understanding of how consumers are likely to perceive foreign brands in comparison with national brands and how product attributes, as reflected by product ratings, may affect consumers' perceptions and purchasing intentions.

THEORETICAL BACKGROUND

Country of Origin

Consumers generalize their attitudes and perceptions across products and services based on two factors — their impressions of product attributes, for instance, “product quality”, “value of money,” “technological superiority,” “status of esteem,” and “credibility of country of origin” of a brand, and their knowledge and familiarity of the country of origin. When consumer's perceptions of the country of origin (COO) are favorable, they will more likely create favorable consumer evaluations of a product based on factors such as brand name rather than relying on their perceptions of product quality (Peterson & Jolibert, 1995). The authors define COO effect as the extent to which the place of manufacture influences consumer's product evaluations. Customers have used COO as the primary cue in evaluating new products while giving minimal consideration to other product related attributes (Maheswaran, 1994). Iyer and Kalita (1997) state that COO, as a primary cue, affects consumers' general attitude toward the quality of products made in a foreign country. Bilkey and Nes (1982) and Johansson and Nebenzahl (1986) demonstrate that when consumers know the COO, this knowledge affects their perceptions of both generic product categories but also of specific brands.

However, when consumers are knowledgeable about the country before evaluating a product, the COO effects are influential (Hong & Wyer, 1989). Baughn and Yaprak (1993) show that when customers evaluate foreign brand names, culturally-specific factors play a role in weighing the COO as an attribute. Papadoupoulos and Heslop (1993) argue that consumers perceive a product's COO based on three dimensions of the standard attitude model (cognitive, affective, and conative). The cognitive dimension refers to knowledge about specific products and brands. The affective dimension represents favorable or unfavorable attitude towards the COO. The conative dimension relates to actual purchase of a foreign brand. The authors suggest that consumers consider the affective component as the predominant component that overshadows the rational, cognitive component when consumers assess a foreign or national brand name.

Ethnocentric motivations also have an effect on evaluations that take COO into account. Bannister and Saunders (1978) and Cattin et al. (1982) suggest that consumers in Western cultures have higher levels of domestic country bias because they exhibit more favorable evaluations of domestic products than foreign products. In the subsequent study of eight product categories, Balabanis and Diamantopoulos (2004) found that the degree of ethnocentrism when evaluating domestic versus foreign brands varies depending, to a large extent, on the nature of the product category.

Products sold under foreign brand names are strongly associated with the country-of-origin (COO) of the brand. Firms market these brands either to emphasize the COO to consumers or to downplay the COO. According to Papadoupoulos and Heslop (1993), firms use the positive association between foreign brands and the COO extensively in their marketing strategies, for instance, the supportive associations of Japan with microelectronics, Sweden with cars, and Germany with beer. Nonetheless, if the COO image is unfavorable, marketers experience formidable barriers when they attempt to position their products or

services in the market (Johansson, Ronkainen, & Czinkota, 1994). Yet in some cases, global brands develop beyond their country of origin. For example, Mercedes Benz and Toyota have developed beyond their country of origin, so the marketers focus their promotions and marketing campaigns without associating the brand with the country of origin.

In the globalized economy, brand names and country of origin are no longer a single country phenomenon. Multinational firms design a wide variety of products and brands, often relying on multifirm cooperation to do so. Products may be designed in one country, its components manufactured in a second country, be assembled in a third country, and have their brand associated with yet another country. All this makes it difficult for consumers to figure out the specific country with which the product or brand may be associated. As a consequence, the brand name and country-of-origin of the brand (COB) undergo shifts in terms of their definitions and consumer perception.

Brand Equity

Evaluating brand equity has received significant attention in marketing academic and trade literature. Brand equity has been defined as a set of assets such as name awareness, loyal customers, perceived quality, and associations that are "... linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service" (Aaker, 1991). Farquhar (1989) refers to brand equity as the value added to a product by virtue of its name. Brand strength has been used to rank consumer products by Financial World, Brandweek, and Landor Associates (Owen, 1993). Regardless of the definition, consumers create brand equity in their minds. Therefore, to uncover the equity of a brand, a marketer must understand consumer perception. Brand development and management are the main focus of marketing departments that hope to establish a strong position in their respective market and achieving competitive advantage (Keller, 2003). Their ultimate goal is to differentiate their product from others, add value (by increasing awareness levels, positive thoughts, and feelings toward the brand), and create strong customer loyalty (Aaker, 1991).

Brand knowledge has two dimensions: brand awareness and brand image (Keller, 1993). Brand awareness refers to brand recall and brand recognition; brand image is the perception. Brand image can be described as a network of brand associations in consumer memory. Thus, a brand manager can justify a brand name based on two dimensions. First, to what extent does the name support or enhance the strategic positioning of the product? Second, how easily can the consumer encode, retain, and retrieve the name from memory (Park, Jaworski, & MacInnis, 1986; Robertson, 1989)?

Brand managers may resort to foreign branding—the strategy of spelling or pronouncing a brand name in a foreign language—to influence the brand image in the minds of consumers. Brand names such as Giorgio di St. Angelo and Klarbrunn might sound or appear relatively strange to American consumers. They may also be less memorable and be more difficult to pronounce than English sounding names; however, they create positive associations that influence how consumer perceive and assess the products. For instance, Giorgio di St. Angelo exudes images of high quality Italian fashion, and Klarbrunn has the flavor of the high purity standards that German products.

Literature in psychology suggests that the existence of stereotypes and the influences of foreign brands on the perception and evaluation affect individual behaviors (Eagly, Ashmore, Makhijani, & Longo, 1991; Eagly, Makhijani, & Klonsky, 1992). National and cultural stereotypes are broad judgments and consensually shared beliefs related to a country, its population, and its culture (Taylor & Moghaddam, 1994). It can be said that foreign brands function like other stereotypes in that they should impact the judgment and perception of any object, including consumer products that are associated with a certain country.

HYPOTHESIS DEVELOPMENT

Today, consumers have more exposure to a wider array of imported goods because of ongoing trade liberalization, advances in transportation, improved communication technologies, and other catalysts (Craig & Douglas, 1996). This plethora of imported products and brands has changed the marketplace.

Researchers have found that negative stereotypes about some foreign goods and patriotic feelings about domestic goods have caused consumers to be more likely to negatively stereotype some foreign goods and prefer domestically made goods (Han, 1988; Maheswaran, 1994).

Shimp and Sharma (1987) introduced the concept of consumer ethnocentrism— that it is inappropriate to buy foreign products, and that consumers are encouraged to support domestic companies through the purchase of locally made products. Others have explored how consumer ethnocentrism affects the extent to which consumers select domestic goods over foreign alternatives (Han, 1988; Maheswaran, 1994).

Han's (1988) study on televisions and automobiles found that affective dimension of patriotism is a key driver of consumers' choice while the cognitive dimension has a limited role in the consumer's attitude toward products produced in different countries. Consumers' interest in a product is stimulated by the product's country of origin, thus making consumers more motivated to think more extensively about product information and its evaluative implications (Hong and Wyer 1989).

Kaynak and Cavusgil (1983) investigated consumer perception of different classes of products from 25 countries. The study showed that consumers hold positive attitudes towards products manufactured in their own country but that the same time consumers might select foreign products if product quality and price consideration were sufficiently competitive. Particularly, Kaynak and Cavusgil (1983) realized that consumers may swing away from inferior-quality domestic products when superior foreign products are available in the markets. In addition, consumer attitudes toward foreign-made products change remarkably across product classes.

Economic factors are not the only drivers of consumer preference for domestic versus foreign brands. Consumers often favor of domestic brands because the nationality of that brand is the same as their own nationality, a central part of their own identity. Consumers seek to express their identity through consumption, so locally-made products often possess important social and cultural connotations and may be considered as a symbol for national identity (Askegaard & Ger, 1998). Feelings of animosity rooted in political, military, or economic conflict with another country can strengthen a negative attitude toward foreign products from that country (Klein, 2002; Klein, Ettenson, & Morris, 1998).

Verlegh (2007) argues that consumer positive attitude toward domestic products is related to the social and emotional significance that consumers usually associate with their home country. The study suggests that their own group (in-group) obtains a higher positive bias in ratings of the performance and achievements than other groups (out groups). The author attributes this in-group preference to a common need for maintaining a positive evaluation of the self and the social groups one belongs to. Therefore, we suggest the following hypothesis:

H1: A national brand is likely to elicit a higher level of (a) attitude toward the brand, (b) purchase intention, (c) advertisement feeling, and (d) attitude toward the advertisement than a foreign brand.

The impact of a brand name tends to outweigh other information about the product. Thus, we might consider the brand name as a suitable heuristic for purchasing decisions. Some argue that branding itself is more influential than the effect of product qualities and attributes. In addition, some consumer research argues that the brand names are critical factors that affect purchasing decisions as they are perceived as a "high-scope" cue that has different meanings for a wide variety of attributes. As a result, branding can be viewed as a sufficient criterion for consumers' evaluation of a product, even to the point that it helps consumers stay away from other products or brands (Haubl, 1996; Hong & Wyer, 1989; Iyer & Kalita, 1997; Na, Holland, Shackleton, Hwang, & Melewar, 2008).

Consumers use product information to evaluate a product. For a car buyer, Mercedes Benz as a brand name would be a strong evaluative criterion that may impact the decision-making process. Nonetheless, product attributes such as a five-year guarantee from a competing brand would affect the decision-making process. In addition, when consumers evaluate product quality, they obtain attribute information for their

decision-making process from various sources including advertising, trial experience, word of mouth, and others.

One critical attribute that can influence the consumers' evaluation process is the product rating. Because consumers usually choose a brand based on the practical functions of the product (Chattalas, 2005; Chattalas, Kramer, & Takada, 2008), when consumers make purchase decisions based on that certain attribute, product ratings can play an important role. Product ratings help consumers predict the quality of a product and, affect the consumers' ability to predict the nature of the benefits derived. This makes one wonder whether product ratings can affect the perception of branding in the process of product evaluation? Na et al. (2008) point out that presenting consumers with information on the product's attributes could reduce the reliance on brand name in the product evaluation process. This would imply that product ratings could change consumers' judgment on brand information value. If product ratings influence consumer perception, it can possibly provide a practical approach for improving consumers' evaluation of a product against competitive brands.

National brands are already known to consumers because of prior experience, advertisement, or word of mouth. Because of frequent exposure, consumers can easily recognize which national brands are superior. Customers often use product ratings as a key criterion to differentiate one brand from the other. However, with foreign brands, the consumer's knowledge is much more limited. Consequently, consumers are skeptical of the imported goods because product quality and customer support are unknown. With limited information available, product attribute information about the foreign brand may not be influential enough to change consumer perception or evaluation of the product. Although perceptions can be changed when consumers see high product ratings for a foreign brand, the change in their perception is as not significant as that for the national brand. Therefore, we hypothesize as follows:

H2a: For foreign brands, there is no significant difference in attitude toward the brand between high and low product ratings. For national brands, there is a significant difference in attitude toward the brand between high and low product ratings.

H2b: For foreign brands, there is no significant difference in purchase intentions between high and low product ratings. For national brands, there is a significant difference in purchase intentions between high and low product ratings.

H2c: For foreign brands, there is no significant difference in advertisement feeling between high and low product ratings. For national brands, there is a significant difference in advertisement feeling between high and low product ratings.

H2d: For foreign brands, there is no significant difference in attitude toward the ad between high and low product ratings. For national brands, there is a significant difference in attitude toward the ad between high and low product ratings.

METHODOLOGY

Pretest

Two fictitious brand names of shoes were developed for use in this investigation. One name sounded foreign and represented the foreign brand. The other name sounded English and represented the national brand. To develop these names, two American graduate students and two foreign graduate students were asked to brainstorm possible shoe names. The two American students were responsible for brainstorming shoe brand names that typically sounded like English names. The two foreign graduate students brainstormed brand names that sounded foreign to an English speaker. *Cougaron* was chosen to represent the national brand and *Taika* was chosen as the foreign brand. These names were used in the advertisement posted on the online survey.

Participants and Design

Two hundred thirty-three undergraduate students from a large Southwestern university (151 women and 82 men) completed the online survey in exchange for extra course credit. Most of students were 20 to

30 years old (85.8%). The study had a 2 (foreign brand versus local brand) x 2 (low product ratings versus high product ratings) between subjects design in which brand name and product ratings were manipulated factors. Students were randomly assigned to different groups. The dependent variables were attitude toward the brand, purchase intention, attitude toward the advertisement, and advertising feeling.

After logging in, participants read an instruction page. Participants then viewed an advertisement for a sport shoe. This product was selected because it was familiar to the participants and because they would likely have an interest in purchasing a pair of shoes. The brand name was placed at the top of the advertisement for the shoe. Product ratings were placed on the right of the picture. The product ratings served as attribute information of the product. These attributes were selected from key criteria that sport shoes companies use in their advertisements. Attribute information used included overall rating, comfort, fit/sizing, quality, value, performance. At the lower part of the advertisement, a short description about this product was used to emphasize specific features of the shoe designed for basketball. All four advertisements were the same. Only the brand names and the different levels of rating of the product advertised.

Participants were randomly assigned to the four groups. Each group saw only one advertisement in which only one particular brand name and one level of product ratings were presented. This advertisement was followed by the questions measuring attitude toward the brand, attitude toward the advertisement, advertisement feeling, and purchase intention as dependent variables. The respondents then answered two manipulation check questions. At the end, the respondents were then asked to answer demographic questions.

Measures

Attitude Toward the Brand and Purchase Intention.

Spears and Singh's (2004) scales were adapted to measure attitude toward the brand and purchase intention. In the attitude toward the brand scale, five seven-point semantic differential scales were used: "do you think this brand is unappealing/appealing, bad/good, unpleasant/pleasant, unfavorable/favorable, and unlikable/likable". Respondents' ratings on these five items were averaged to form attitude toward the brand ($\alpha = .95$). In purchase intention measure, five, seven-point semantic differential scales were applied: "rate your intention to purchase this brand: never/definitely, definitely do not intend to buy/definitely intend, very low/high purchase interest, definitely not buy it/definitely buy it, and probably not/probably buy it". Purchase intention was calculated based on the average of respondents' rating on the five items ($\alpha = .98$).

Attitude Toward the Advertisement and Advertisement Feeling.

Feelings and attitude toward the advertisement were operationalized using the Madden, Allen, and Twible's (1988) inventory with known psychometric properties. Eight adjective items (good, cheerful, pleased, stimulated, soothed, insulted, irritated, repulsed) were used to measure feelings. Respondents were asked to memorize how they felt during exposure to the stimulus. They responded to the questions for each of the eight adjectives: "the advertisement for the brand makes you feel ..." on a scale ranging from 1 (not at all) to 7 (very much so). Again, all the responses to these prompts were averaged to form advertisement feeling ($\alpha = .88$). Attitude toward the advertisement was designed to measure respondents' evaluative judgment of the stimulus advertisement on a six-item, seven-point semantic differential scale. The adjectives were pleasant/unpleasant, likable/unlikable, interesting/boring, tasteful/tasteless, artful/artless, and good/bad. Using the same method as mentioned above, attitude toward the advertisement was calculated with $\alpha = .97$.

Manipulation Checks

Two manipulation check questions were created with regard to perceived brand name and perceived product ratings to ensure that participants answered correctly.

An analysis of variance (ANOVA) was first conducted with perceived brand name as dependent variables and brand name described in the four scenarios as an independent variable. Results revealed that

there was a significant difference between foreign versus national brand name, $F(1, 231) = 24.542, p < .001$. The national brand name received significantly higher value ($M = 1.26$) than the foreign brand name ($M = 1.04$), indicating that the brand name manipulation check was successful.

A similar ANOVA with perceived product ratings as the dependent variable and product ratings in the four scenarios as an independent variable was conducted to check the manipulation of product ratings. Results revealed that there was a significant difference between low product ratings versus high product ratings, $F(1, 231) = 19.690, p < .001$. The high product ratings had a significantly higher mean ($M = 4.09$) than the low product ratings ($M = 3.63$), suggesting that the product ratings manipulation check was successful.

Tests of Hypotheses

Brand Names and Consumer Perception

We conducted four one-way ANOVAs, each of which was run using each dependent variable: attitude toward the brand, purchase intention, advertisement feeling and attitude toward the advertisement. The results from ANOVA showed that national brand names elicited significantly higher favorable consumer perception than do foreign brand names. Particularly, attitude toward the national brand was significantly higher than attitude toward the foreign brand ($F(1, 231) = 4.264, p < .05, M_{na} = 4.29$ versus $M_{fo} = 3.89$). Intention to purchase the national brand was significantly higher than intention to purchase the foreign brand ($F(1, 231) = 10.594, p < .05, M_{na} = 3.114$ versus $M_{fo} = 2.395$). Feeling of national brand advertisement was significantly higher than feeling of foreign brand advertisement ($F(1, 231) = 8.333, p < .05, M_{na} = 2.979$ versus $M_{fo} = 2.534$). Attitude toward the national brand advertisement was significantly higher than attitude toward the foreign brand advertisement ($F(1, 231) = 5.802, p < .05, M_{na} = 3.773$ versus $M_{fo} = 3.313$) (see Table 1). The results were consistent with H1a, b, c, and d.

TABLE 1
SUMMARY OF TREATMENT CELL STATISTICS

Dependent Variables	Foreign brand (n = 116)	National brand (n = 109)
Attitude toward the Brand	3.890 (1.35)	4.290 (1.60)
Purchase Intentions	2.395 (1.57)	3.114 (1.80)
Advertisement Feeling	2.534 (1.00)	2.979 (1.36)
Attitude toward the Ad	3.313 (1.41)	3.774 (1.51)

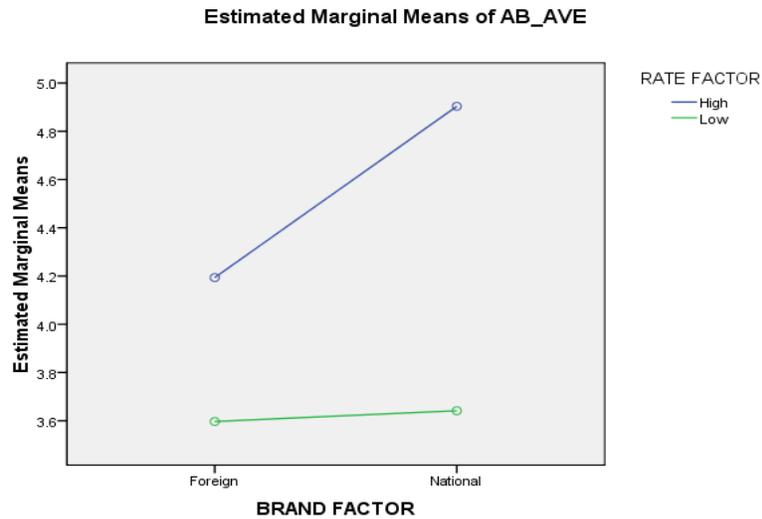
* Cell sizes

** Means (standard deviations)

Interaction Effects on Brand Attitude

As can be seen Figure 1, a two-way interaction between brand name and product ratings was marginally significant for attitude toward the brand, $F(1, 229) = 3.285, p = .07$, partially supporting H2a. Planned comparisons indicated that for the foreign brand, higher product ratings produced higher attitude toward the brand ($M_{hi} = 4.193$) than did low ratings ($M_{lo} = 3.597, F(1, 122) = 6.281, p < .05$). The similar pattern was observed for the national brand: the high product ratings produced significantly higher brand attitude ($M_{hi} = 4.904$) than did the low product ratings ($M_{lo} = 3.642, F(1, 107) = 19.904, p < .005$). The main effects of brand name and of product ratings were significant, $F(1, 229) = 4.227, p < .05$ and $F(1, 229) = 4.048, p < .05$, respectively.

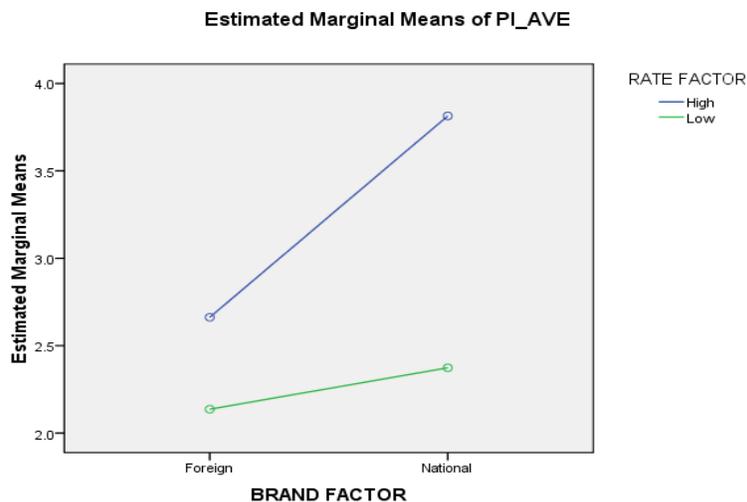
FIGURE 1
INTERACTION EFFECTS ON BRAND ATTITUDE



Interaction Effects on Purchase Intention

A similar set of findings was presented when the ANOVA was conducted with purchase intention as the dependent variable. The two way interaction between brand name and product ratings was significant, $F(1, 229) = 4.724, p < .05$, as can be seen in Figure 2, therefore H2b was supported. For the foreign brand, the high product ratings produced higher intention to purchase ($M_{hi} = 2.662$) than the low product ratings ($M_{lo} = 2.137$). However, this difference was not statistically significant, $F(1, 122) = 3.556, p > .05$. For the national brand, the similar pattern was observed. Purchase intention was significantly higher for the high product ratings ($M_{hi} = 3.814$) than for the low product ratings, $M_{lo} = 2.374, F(1, 107) = 20.559, p < .05$. The main effect of brand name and of product ratings are significant, $F(1, 229) = 10.890, p = .001$, and $F(1, 229) = 21.826, p = .000$, respectively.

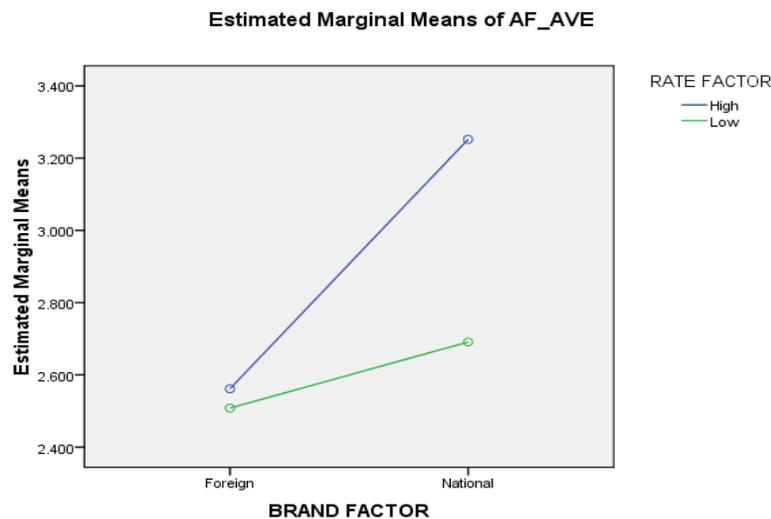
FIGURE 2
INTERACTION EFFECTS ON PURCHASE INTENTION



Interaction Effects on Advertisement Feeling

The ANOVA was conducted with advertisement feeling as the dependent variable. There was a marginally significant interaction between brand name and product ratings, $F(1, 229) = 2.76, p = .098$, partially supporting H2c. As shown in the Figure 3, for the foreign brand, the high product ratings did not produce significant higher advertisement feeling ($M_{hi} = 2.561$) than the low product ratings, $M_{lo} = 2.508, F(1, 122) = .088, p > .05$. However, for the national brand, there was a significant difference in advertisement feeling between the high ratings ($M_{hi} = 3.252$) and the low ratings, ($M_{lo} = 2.691, F(1, 107) = 4.907, p < .05$). The main effects of brand name and of product ratings were significant, $F(1, 229) = 8.179, p = .005$ and $F(1, 229) = 4.048, p = .045$, respectively.

FIGURE 3
INTERACTION EFFECTS ON ADVERTISEMENT FEELING

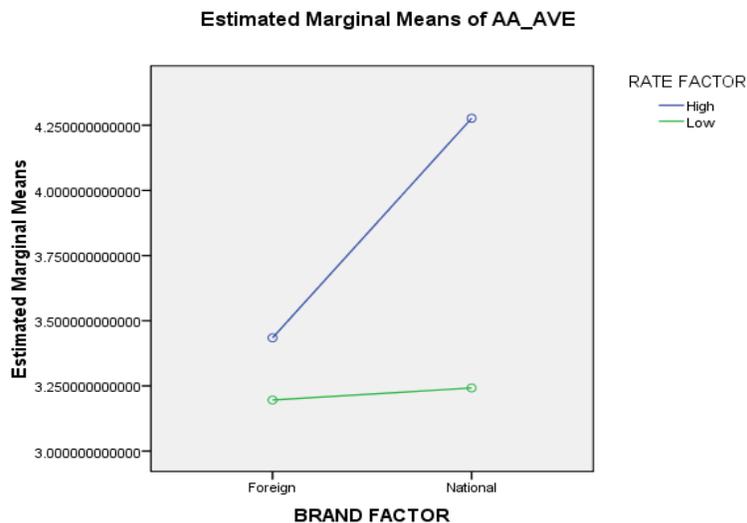


Interaction Effects on Advertisement Attitude

As can be seen Figure 4, a two-way interaction between brand name and product ratings was significant for attitude toward the advertisement, $F(1, 229) = 4.583, p < .05$, supporting H2d. Planned comparisons suggested that for the foreign brand, higher product ratings produced higher attitude toward the brand ($M_{hi} = 3.434$) than did low ratings ($M_{lo} = 3.196$). But the difference was not significant, $F(1, 122) = .884, p > .05$.

The similar pattern was observed for the national brand: the high product ratings produced significantly higher brand attitude ($M_{hi} = 4.277$) than did the low product ratings ($M_{lo} = 3.242, F(1, 107) = 29.149, p < .05$). The main effects of brand name and of product ratings were significant, $F(1, 229) = 5.713, p = .018$ and $F(1, 229) = 11.726, p = .001$, respectively.

FIGURE 4
INTERACTION EFFECTS ON ADVERTISEMENT ATTITUDE



DISCUSSION

The research investigated the effects of brand names (foreign versus national) and the interaction between brand names (foreign versus national brands) and product ratings on consumer perception. The results support the hypothesis that the national brand elicits more positive consumer perception than the foreign brands. In this study, consumer perception is operationalized by four constructs: attitude toward the brand, purchase intention, advertisement feeling, and attitude toward the advertisement. The findings of the study support the hypothesis that the provision of product attributes like product ratings can influence consumer perception in a way that high ratings of national brand is likely to generate a higher positive consumer perception of national brands than low ratings, while the change in consumer perception of foreign brands is not significant between high and low rating. Particularly, in the four dimensions of consumer perception of foreign brands, change in rating has a significant effect on the variation in purchase intentions and attitude toward the advertisement, but has a marginally significant effect on the change in attitude toward the brand and advertisement feeling. The findings provide support other research regarding the effect of product attributes on product evaluation (Bitner, 1992; Donovan, Rossiter, Marcolyn, & Nesdale, 1994). The rating of a product is one of important factors and can change consumer perception as a consequence using product rating information to advertise a product.

Increased understanding of consumer preferences for foreign versus domestic products and the linkage to product attributes can facilitate more effective product positioning, more efficient strategy development, and overall knowledge of the dynamics of international markets. Greater knowledge of country of origin in all its facets can permit researchers to adjust given aspects of the product or promotion mix so that products can be targeted to the needs of specific markets. By delving more deeply into the various aspects of consumer preferences, scholars may be able to refine extant understanding in ways that advance international consumer behavior research.

The study contributes to the consumer research theoretically and practically. Theoretically, this study provides more insights to the brand equity theory. In the previous research, product attributes have been perceived as part of the brand; therefore, product attributes were treated as an element that could form brand image. The findings of this study, nonetheless, indicate that the building up of brand equity is dependent not only on specific brand-benefit associations, but also on product attribute-benefit

association. It further implies that product attribute association could act as an independent element to enhance the brand equity.

The study also has clear implications for managers. First, the results suggest that by providing proper product ratings that consumers can use to make brand comparisons, the marketers can promote consumer positive evaluation of the national brand while they are able to reduce influence of competitor's brands. This is so critical for companies, particularly companies that are planning to promote new high-quality brands in their markets and to reduce the value of competitors' brands in comparisons. When consumers review product information, they tend to use this information to evaluate the brand. While consumers use this information in the brand evaluation process, they consider a product attribute as information for their evaluation task. As such, providing high product ratings can make consumers shift attention from one brand to another brand and can reduce the influences of competitors' brands when making brand comparisons. In addition, presenting good product attributes can drive consumers away from competitors' brand when consumers consider comparable brands, because they can evaluate the national brands more easily and regard the product attributes as important criteria in the evaluation process.

Secondly, marketers can apply the results of the study in their marketing strategy to protect strong brand. The provision of high quality product ratings can make consumers have more positive perceptions of the brands and help consumers memorize the product attributes easily. The effects found occur because product ratings allow an otherwise ambiguous stimulus to be meaningfully encoded and interpreted, thereby making it more long lasting and verifiable. As a result, marketers can use this to differentiate their brands from competitors' brands by providing high product ratings as an indication of high quality brand. When consumers have a better understanding about the products through product attribute information, they can have more stable preference for the brand. Briefly, the marketers can protect their brands from competitors' brands by paying greater attention to the impact of high quality product attributes.

LIMITATIONS AND FUTURE RESEARCH

The study provides more insights to the consumer research with respect to the effects of brand names on consumer perception. However, it has some limitations that suggest areas for future research. First, the data was collected from student population, a small part of consumer base; therefore, the findings of the study are limited in terms of generalizability. To generalize the results of this study, it would be desirable to conduct further research with a variety of respondent groups.

Second, the research is limited to a specific product that represents a particular brand with which consumers are not familiar. Further studies are necessary to examine whether a different process holds when consumers expose to a wider variety of product categories of the brands that are well known in the market places. Therefore, if a variety of products were to be investigated, the research would increase its validity and applicability.

Third, the use of an online survey is another limitation of this study. Students completed the survey in exchange of course extra credits in a highly controlled setting. A field study would be desirable to see whether findings are congruent in different environments.

Finally, this study centers on the moderating role of product ratings on the relationship between brand name effect and consumer perception. The effects of brand names on consumer evaluation can be differentiated by other factors, for instance, the consumers' knowledge of the products, product involvement, and consumers' needs. As consumer perception about the products depends largely on the consumer's knowledge and motivation, another avenue for further research could be to investigate the role of these factors.

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