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Chair of International Marketing

COUNTRY OF ORIGIN EFFECT: PHENOMENA OF
DIASPORA AND BRAIN DRAIN ON DEVELOPING
COUNTRIES

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Signed Statement

I hereby declare that the following thesis was solemnly written by me (Nemanja Maslar), except for where it is otherwise stated.

Even more I declare that this thesis on the subject: “Country of Origin Effect: Competitive Advantage of Global Brands” has never been reviewed or submitted to any profit or non-profit organization, people of interest, institutions of higher education nor has it ever been presented with the aim of obtaining any other degree or certificate.

Nemanja Maslar

Abstract

Recently, the micro and macroeconomic landscapes have been changing. More and more organizations are going global in endless search for new markets, consumers and higher margins. One of the main challenges of an organization which is conducting global operations is how to maintain the culture and heritage of the original market, while going away from their historical market on socioeconomic perspectives.

Firms are constantly faced with this conundrum. This global market has created an environment where even the smallest differences or an added benefit can make a world of difference. This goes in line with the change of consumers that have become more aware and informed about the goods they are purchasing. In other words, consumers are constantly demanding higher quality for less money.

The options presented to them are very intriguing and the evaluation of what actually drives consumer to choose a specific brand, product or a service makes all the difference in the field of marketing. We came a long way in the past twenty years and that is why it is crucial to examine the effects of such behavior, in the organizations and on the markets, including effects from developed, as well as from developing countries.

One of the reasons consumers purchase one produce over another is the Country of Origin effect or Made In image. That can be easily explained by defining it as a psychological effect, that explains the attitudes, perceptions and purchasing decisions of consumers in correlation to the Made In label. As a matter of fact, it can be described as subconscious labeling of the goods as of higher or lower value, based only upon the geographical stereotype of that particular country or a region and their prior reputation and heritage.

It is no secret that the Country of Origin effect was an interesting topic in the past century, with over 400 academic papers and articles. Either way, in the past few decades the researchers have been mostly oriented towards researching the effects of

the Country of Origin from the perspective of a developed country which is searching for market opportunities on the territory of developing countries. Although that effect is crucial for the development of modern economy, it is also important to alter the way we are looking at the issue.

Recent studies have shown that Country of Origin effect represents a competitive advantage for organizations and brands coming from developed countries. By reversing the poser, we reach the goal of this paper, which is to examine if the effects are making barriers for organizations and brands coming from developing countries to compete in an international business environment.

Differences such as this may tell us very little about the product, but the basic stereotypes we form around particular regions may create a specific form of products and services, and an even more important issue of how brands in developing countries have excelled in such conditions.

The study has a goal to provide empirical findings in the filed of the Country of Origin effect while considering variables such as Brain Drain and Diaspora. The migration of population has resulted in significant changes on both the social and economic landscape. The study is forming a construct around the concept that the citizens making the Brain Drain effect of a developing country, as well as the Diaspora of a certain country can positively or negatively influence the decision making process of consumers situated in developed economies.

The results of the study have shown us that both Brain Drain and Diaspora as remarkable effects present on territories of developing economies, don't have a positive effect on consumer behavior in comparison to goods arriving from advanced economies. The results have clearly shown a great level of bias coming from consumers of developed economies on the goods arriving from developing counties. It is necessary to continue to analyze and track the implications of certain socioeconomic phenomena and to better understand the variables presented in this study as well.

Acknowledgements

Life is adapting and changing. That is why we have to constantly learn and grow in many different fields to be prepared for the upcoming challenges in life and business in general.

Past several years have been very turbulent, with a lot of ups and downs but after it all with a lot of beautiful memories and lessons learned. It is important to develop yourself both on a professional and personal level and that is why I would like to acknowledge several people and events that have influenced me greatly.

First of all, I would like to use this opportunity to say one big ‘Thank you’, to all the people that have made my transition on to the new culture easier. Two years ago, Rome and Italy in general for me were completely new and now after some time I’m proud to call it my second home.

I would like to acknowledge my family, that stood by me while I was discovering my way in a new country. My parents have been an enormous support and they have greatly contributed by motivating me. Their kind words of encouragement have given me strength to carry on and finish all of my obligations in a timely manner while helping others that are in need.

Furthermore, I would like to acknowledge my friends that have showed me the ropes, and explained the easiest way to get around Italy. Understanding a foreign culture and learning a new language is our “window to the world” and it is one of the best way to grow and develop further by opening your mind to new experiences, things and people.

Last but now least, I would like to thank the LUISS faculty, among which the most Professor Michele Costabile and Professor Vito Tassiello.

While conducting the research and looking into the possible fields to write a thesis on, I have encountered several problems, I have seen the thesis as a great test but with the help and the support of Professor Vito Tassiello, I successfully brought this chapter of my life to an end. The lectures and ideas of Professor Michele Costabile were crucial in my choice of which area of business I consider my future occupation. His magnetizing lectures and real life examples and experience have furthermore pushed me in the field of marketing and are responsible for an enormous 'hunger' for knowledge and experience I feel right now.

Their kind words and endless knowledge in the field of marketing has helped me develop my options and understand my interests in the field of International Marketing.

Disposition of the Thesis

Chapter 1. Introduction

In the Introduction the problem will be introduced, as well as the general concepts used for the following research.

Chapter 2. Literature Review

The Literature Review can be viewed as a general construct of past findings in relevant fields for the research.

Chapter 3. Hypothesis Development

The Hypothesis Development will be the segment of the study where the statements which have to be tested in the upcoming research will be clearly shown. Those statements are subtracted from the fields of study relevant to the issue.

Chapter 4. Research Model

The Research Model is the chapter providing the reader with insight of how the study was developed and designed, as well as the flow of the work conducted.

Chapter 5. Conclusion and Discussion

The Conclusion and Discussion is the segment of the paper where the findings and the theory that was used to support it will be displayed. The paper will end with key implications and plans for future research.

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Chapter 1. Introduction

1.1 Background

The 21st century has been a turbulent time, filled with discovery and new improvements. Now more than ever we have to reflect on the problems that are surrounding us, stressing their importance in order to excel furthermore. Discussing the shifts and implications of changes that have occurred, is utterly unnecessary most of the time, considering the statement of Kofi Annan: “It has been said that arguing against globalization is like arguing against the laws of gravity”¹. Globalization has made remarkable impact on the social and economic landscape of the world. At the same time, it is making the world bigger and smaller. Now more than ever we have an opportunity to leave our countries in search for a better life, more secure surroundings or just to change the pace of living, while staying connected with our friends, family and loved ones via various social media and the internet.

While analyzing and examining the effect a certain phenomenon has on the population, it is truly amazing to observe how people have changed so little over the years. The tools and objects of reaching the goal may be different, but the basic desire and action remains the same. That is the element that pushed the population further into exploration and development of science, medicine and goods and services. The constant growth has connected people from all around the world on a completely new scale. One of the main contributors to that growth is also migration.

With the rise of a new time, people feel more free to explore their options and possibilities. Certain ethnic groups of great interest are being made on a foreign market. The discussion and analysis of migration must be a corner stone of future research and understanding, both on social and economic level, because we have witnessed on our grounds one of the biggest migrant crises in the modern history. Understanding the

¹ Accessed: The Globalist. 2016. Kofi Annan on Global Futures - The Globalist. [ONLINE] Available at: <http://www.theglobalist.com/kofi-annan-on-global-futures/>

implications and measures that are necessary to be taken are obligatory in order to develop a system that is functioning properly and hence it can reflect on its law, regulations and goals for the future.

By acknowledging the situation as it is, it is still fascinating to manage, measure and analyze the wants and needs of the consumers wherever they be. While talking about the differences of origin and the basic differentiation of how a country is rated in comparison to another, we reach a very interesting phenomenon. That phenomenon is called the Country of Origin, that will be further explained in the paper. Plainly said, the Country of Origin is the perception of one's country consumers on the brands, organizations and goods coming from another country. In this age, the “Made In” label has become an essential element of our decision making process. But why and how important role it plays is an interesting question. Furthermore, both scholars, researchers and managers alike took interest in the topic of the Country of Origin from its very development. The fact that a unique element such as Country of Origin can play an important part in the decision-making of people, not only locally, but also internationally, is an interesting concept, as it has been proven. The connection of all these aspects leads us to a specific issue on the world market. The combination of globalization, developing and developed countries, the Country of Origin effect and certain migratory action brought us to a recognition of what actually can make a difference in the further understanding and managing of both business endeavors and relationships around the world. The following chapter will be a brief explanation of the problems that has given the author grounds for looking further into the issues in question. This chapter will be composed out of the following segments:

1. Statement of the problem,
2. Problem discussion,
3. Research Question,
4. Purpose of the Study,
5. Significance of the Study,
6. Methodology,
7. Conclusion.

1.2 Statement of the Problem

As stated earlier, the mixture of certain fields and topics has triggered certain elements to stand out and manifest a pattern that can be followed throughout the research. From the viewpoint of many scholars, the Country of Origin effect has been an added value for brands coming from developed countries. That understanding raised the question of what is happening on the other side of the spectrum. The understanding of the influence of Country of Origin is crucial also from the side of the organization coming from underdeveloped countries on the global market.

This poser gained a lot of attention lately, mostly because of the influence the developing countries have on the world's economy. The fact that the quantity has replaced quality is an interesting aspect driving economic decisions. At the end of day, question arises: how do massive migrations influence this effect and do specific sociocultural elements have any impact on the improvement of the image or the Country of Origin effect?

This brings us to a specific problem of inequality. Based on certain literature and findings, chances of success of a certain brand or an organization is very much dependable on the country they are originating from. The basic image that is left behind sends a strong message to customers how to differentiate goods, services and their general attitude towards purchasing. This brings us to an issue at hand, it being the inequality of treatment and perception and in that way, a development of a certain barrier to enter and compete on a global market. In the age of globalization, where firms are searching for competitive advantage worldwide, not because they want to but because it is a necessity, limiting the development of goods and services from a particular country can have major economic and social implications.

1.3 Problem discussion

The concept that there are differences is the one very natural and normal for us. The general problem is demonstrated when, because of the prior effect on the perception on the consumer, some brands and organizations are held in high regard and given more attention. Of course the other ones are negatively affected, because the process works vice-versa.

This brings large importance to the issue, it being the Country of Origin. As the leaders, managers and scholars of tomorrow are learning and understanding the world today, it is necessary to underline all the potential elements that may play a significant role on the market. By understanding the surroundings, a manager must be vigilant and react accordingly. All of this is crucial for the formulation of the International Marketing Strategy, that has certain indicators as its goal.

The problem that has resulted in this thesis is a topic that has to be researched through various aspects, and while considering that statement, to push young individuals to think with a more opened mind.

The diversification of developed and developing countries is playing a huge role in the political, social and economic ecosystem of today, and that is why both sides must learn the potential outcomes of particular actions.

By understanding the implication of the study, an organization arriving from the developing country can adjust the communication strategy, and by that effectively change the Marketing Strategy on the market. Understanding that every action brings us a reaction is crucial in analyzing the effects the potential and actual customers have on such changes.

1.4 Research Question

The research is developed in order to limit the uncertainty coming from both fixed and volatile variables. In order to tackle the difficult problem that is being spoken of, a combination of economic, social and political fields have to come together into question. The development of clear research question is a task set to underline both the importance and implications of such fields in synchronisation. As stated earlier, the main problem of this research is the actual inequality and the need to further understand and follow the individual concepts that may affect the Country of Origin effect. The research question of the paper is:

Whether the Country of Origin effect is a barrier to nations under development to expand their brands and organizations on the increasingly important global market, especially on the markets of developed economies?

Stating the importance of globalization and global action, it is necessary to understand what triggers the consumer behavior and how some macroelements such as migration, ethnic groups and skilled labor force influence the perception of a certain nation or group of nations. This brings us to the implication of how certain brands can manipulate the information and build their communication strategies of a marketing plan in order to reach the key consumers and in that way excel in their field by the benefits of the global market.

1.5 Purpose of the Study

A clear purpose is fundamental for a working paper. Essentially, the reason or the objective for the development of this thesis is the mixture of the external and internal elements. The fact of being born and raised in the developing country has introduced me to a phenomenon pretty foreign to my friends coming from developed nations. The implication of social reforms and war can have on the population has amazed me from a very young age. The last decade of the last century has brought significant changes to the territory of the Balkans, and one fierce country has been struck with a series of problems in every aspect that cannot be resolved hastily. This has significantly impacted the perception of ex-Yugoslavian states on a global market. Countries on the Balkans could be used as an example of how the implications of a developing country can have an impact on the growth of an organization.

The realization that both students and professionals are hungry for knowledge and experience, and that they want to further develop themselves elsewhere is a growing concern. The actual element of brain drain is a rising problem that needs to be resolved in order for a nation to prosper and grow.

We can analyze on the same example which effect does variable of diaspora have on the same segments. The migration during the 1990's has been momentous and now there is around 6 million people from Serbia living outside the borders of their own country, mostly in Germany, Austria and the United States. Diaspora showed time and time again that when people are united many political and economical issues can be overcome.

While carrying both personal and professional interest in mind, the study on how the macrofactors influence the aspect of the perception is crucial for further academic research. Understanding the struggle and experiencing the issues firsthand is essential in grasping the future landscape of the world's economy, especially when there is a shift towards a more integrated market where developing and underdeveloped countries are leaning towards more power and control over the market.

1.6 Significance of the Study

The significance represents the actual contribution and added benefit the paper will have after completion. An interesting fact is that, in recent literature, although the Country or Origin is researched in more than 400 papers, they haven't put a lot of emphasis on the research of the idiosyncratic variables affecting the Country of Origin especially from the perspective of the developing countries. The study has a goal to underline the importance of people of one country and a territory of another and how can the knowledge of the brand or a company positively or negatively influence the perception of consumers on a specific scale.

The main purpose of the study is to identify and analyze specific variables that can be built in future research. The finding may contribute to market oriented managers and behavioral analysis in order to further develop new models in the creating of a marketing plan, segmenting and targeting their consumers on a new strategic level. The impact of the study has a growing importance, especially because of the impact the developing economies are going to have in the future. With the development of a model and clear measurement and tracking through new research and feedback, this issue can positively impact many organizations on both sides of the spectrum. The firms originating from developing countries could use the information to their advantage while analyzing new market opportunities, while the brands from advanced countries could look inside the possible threats they face from their competition, both locally and globally.

1.7 Methodology

Before conducting the research, it is important to set clear rules and practices that have crucial importance in the overcoming of given obstacles in order to gather relevant information and test the claim of the study. Methodology is the approach that was used in research of the paper that will be further explained in the Chapter 4.

The actual method of the research represented an immense problem at the inception of the project, mainly because of the topics that came into question. In order to demonstrate new findings, a set of exogenous variables had to be considered, forming a fresh overview of the familiar topic of Country of Origin.

As it was mentioned in prior chapters of the paper, the Country of Origin is an attractive topic of research, with interesting future implications. While conducting research necessary for this paper, variables that were taken into consideration are in line with the interests, prior experience of the author and the increasingly important topics on the world scale. The globalization carries gargantuan changes with itself, which are forming the new economic ecosystem.

While researching the articles and studies, there was a gap between recent studies on the Country of Origin effect for organizations arriving from developing or underdeveloped countries of the world and the sudden rise in power and influence of developing economies and their potential future impact on social boundaries, economic policies and political declarations. In order to take advantage of that, a two variables have been selected to carry on the research in the field of International Marketing, them being: Brain Drain and Diaspora. All of the named factors are closely linked to the phenomenon of migration and the fact that certain people change their geographical location during their life span for a variety of reasons. This is understandable now more than ever by examining the implication of the migrant crisis on the territory of Europe and the Middle East.

After declaring the actual research points of the paper, the challenge faced was the development of new variables that have to act as a measuring object between Brain Drain and Diaspora and the Country of Origin effect. After looking inside the key issues and dealing with the variety of theoretical backgrounds associated with topics such as these, a variable necessary for the understanding and the developing of an individual firm or a country was selected, that being the Willingness to Purchase.

At the end of the day, the Willingness to Purchase represents the intention and action an individual or a consumer undertakes in order to contribute to the economic ecosystem.

After clearing up the essential concepts that represent the variables in question, the research began. Numerous examples from a variety of developed countries were tested by answering particular questions in experimental environment. The questionnaire was developed in order to encourage a stimulus for the participant. There is also a short story explaining the situation to the sample. The sample was divided into three main fractions: Test group and two Control group.

The test group received questions that could be answered via Likert Scale of 7, ranging from two extremes of the spectrum. Based on that, we examined the connection to their Willingness to Pay while underlining the key aspects of the study. The country that was used as a representative of a developing country was Serbia.

On the other hand, the control group received an identical question format with only one clear difference. The difference in question is the actual country. Instead of Serbia, the effects were tested on the example of United Kingdom, as a representative of one of the most developed economies in Europe and the world.

The second control group is used in order to measure and monitor the previously mentioned elements. The goal of the second control group is to understand the situation of one part of the sample that hasn't received any scenario prior to the questionnaire and in that form is an experiment with a different goal, it being the difference that came

up before and after the scenario was implemented and how it affected the attitudes, perceptions and their overall Willingness to Buy goods that were mentioned.

Source: Constructed by the Author

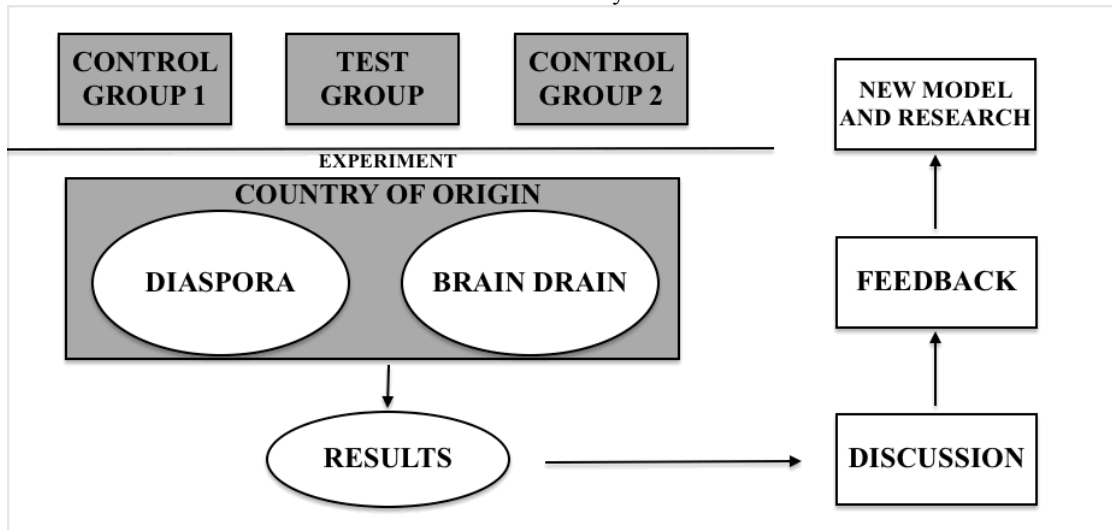


Figure 1: The Methodology

The results of all of the groups are a consequence of the empirical data that will be demonstrated and analyzed in the Chapter 5.

1.8 Conclusion

Identifying and understanding global issues is crucial in the time when operating with international organization and effects of foreign influence is not voluntary but necessary for an organization to prosper and further evolve. The study is built in order to tackle the differences encountered on markets of developed country by the possible bias for goods imported from developing countries. This phenomenon is out of most importance when dealing with the multiethnic consumers.

Furthermore, the study demonstrates the effects of certain migratory action on decision making process of the customers. Brain Drain and Diaspora represent bottlenecks of various social, political and economic issues driving economies and organizations to adapt their approach to everchanging and ever demanding customers. The managerial issues as well as operational ones, can make a difference on the future success rate of a company. Identifying the inequalities and developing a scenario in which the issue is put into spotlight is essential for future research.

This study has a goal of providing elementary empirical findings that can later be transformed. In the process the separation of factors and topics has to be prioritized, because of the great implications future research in the field may bring to scholars and managers on both markets of developed and developing countries. Furthermore, the issues mentioned have to be continuously researched and modified. In the past several years we have witnessed how certain global events, such as global disasters, wars, economic crises and other, that can hardly be foreseen and taken care of, set an effect not only on the country in question but globally. A similar principle applies to the effect of the Country of Origin, the perceptions and understanding of consumers are constantly changing and it is up to us to analyze the effect such changes have and how can that be commercialized in the future business environment.

Chapter 2. Literature Review

2.1 Background

Key Words:

- Country of Origin,
- International Marketing,
- Developing Countries,
- Branding,
- Migration
- Brain Drain,
- Diaspora.

In this chapter the essential theoretical frameworks will be covered. They will be supported by the professional and academic literature conducted in the past. In order to stay competitive and fully understand the effects discussed in the paper, it is essential not to overlook the importance of prior researches.

In order to gain a complete and thorough overview of the topic, various sources and literature were studied while conducting the research of literature and materials considered in the paper. Main sources could be easily divided into: traditional sources, internet sources, as well as interviews and other forms of data gathering that were necessary for comprehensive understanding of the topic that considers a wide spectrum of fields and aspects.

Traditional sources include books, e-books and specialized magazines used in order to gain a theoretical grasp on the ever-changing topic. Furthermore, it is crucial to mention that the courses undertaken at LUISS University have showed themselves out of most importance for the development of the chain of thought and theoretical background.

Internet sources stress the importance of freely accessible information on the world web. It is crucial to stay up to date. The secondary research conducted on various websites, blogs and social media pages has given me an opportunity to have a more realistic perspective of the topic and all of the benefits and drawbacks on both sides of the spectrum.

As far as the actual networking and connection with people in the field goes, I have conducted several interviews with people, both in the academic and professional field connected to the topic. The norms that I was looking into were the actual experience and knowledge of effect that brands, goods and services have on the developing countries worldwide. The contacts of the interviewed people can be delivered if needed.

Overview of the Chapter:

1. Globalization,
2. Global Brands,
3. Country of Origin effect,
4. Element of the Country of Origin,
5. Implication of the Country of Origin Effect,
6. Migration.

2.2 Globalization

Over the past several decades, the governance, economy and lifestyle have changed significantly. Organizations have reached a point where there has to be a constant vigilance for a greater value on the market. One of the main reasons for significant changes in the past several years has been the phenomenon of globalization.

Developments and crucial events of the last hundred years have set grounds for a new system to rise, as well as connect the historically and culturally separate. That is why, when considering the effects of globalization, one must not consider only the benefits of the organizations on the local or international level, but also the significance of change brought to our lifestyles, occupations, way of thinking, as well as the creation of the new “borderfree” generation.

Over the years it has been a challenge to define globalization because of the many fields it affects. Today it is almost impossible to have even a single day without noticing the changes both consciously and subconsciously. Just some of the fields affected by it are economy, politics, social sciences and overall relationship between them, but it is most useful to think of it as a process underlined by all of them.

The word “globalization” comes from an English word “the globe” which means “the world”. Underlining the obvious, it is a process of bringing the world closer together. It is the connection of the historically separate markets and convergence of a new global culture built around mutual responsibilities. Charles W.L. Hill defines it like this: “Globalization is a trend towards a more integrated global economic system.”² That is absolutely true, considering the implications it has left, and the importance it is going to have in the future.

² Accessed: Charles W. L. Hill, 2011. International Business. 8TH Edition. McGraw-Hill/Irwin.

The actual name “globalization” was given by the professor Theodore Levitt, a former Harvard Business School faculty member, that has also defined the role of marketing in this socioeconomic process.

Because of historically, geographically and culturally separate national markets, people around the world subject that such news have dichotomous views of globalization. That is why there is a clear segmentation into two main fields of globalization, it being:

- Globalization of production,
- Globalization of markets.

Globalization of production could be explained as a market capitalization that can be reached by conducting operations on a foreign market, and globalization of markets is the merging of two or more formerly independent and separate markets into one global marketplace.

“A powerful force drives the world toward a converging commonality, and that force is technology. It has proletarianized communication, transport, and travel. It has made isolated places and impoverished peoples eager for modernity’s allurements. Almost everyone everywhere wants all the things they have heard about, seen, or experienced via the new technologies.” – Theodore Levitt ³

After realizing the importance of globalization, it is crucial to recognize the actual changes that have allowed for it to happen. Although there are many drivers of globalization discussed by academics in the past and present, it is important to stress that the reduction of trade and government barriers and the development of new technologies have greatly influenced the modern economic landscape. Considering strategic and operational decisions, organizations have several ways to grow, both locally and globally, putting the firms on the same playing field. Nevertheless, there are still significant differences in success of organizations originating from developed or

³ Accessed: Harvard Business Review. 2016. The Globalization of Markets. [ONLINE] Available at: <https://hbr.org/1983/05/the-globalization-of-markets>.

developing countries that we will examine in this paper. There is a global transition that shows no signs of slowing down, so it is left up to organizations to use the drivers they are presented with to reach their competitive advantage and secure their place in the global marketplace.

For this reason, an increasing number of firms of all sizes are going out of their local markets and expanding. That is because in this day the effects of globalization are so strong that it is no longer a choice, but a necessity in order to keep up with the competition and use the benefits that the global market has to offer.

2.3 Global Brands

The fact that we live in a modern society has shaped our everyday life in such manner that from the moment we open our eyes, we are surrounded by brands. We can classify them as local or global, big or small, but all of those influences that we receive from our surroundings are connected to a particular brand. In order to differentiate themselves from others and make themselves more presentable, the organizations present their brands to the public, creating a completely new marketing orientation. In order to understand the effects of Country of Origin, in both developed and developing countries, the elementary understanding of brands is needed for the sake of following up with the issues and dilemmas both customers and organizations face while operating in both local and international environments. Brand and branding in general are topics that have been explored extensively in recent years.

“A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name.” AMA (2007)⁴

“A brand is a name, term, sign, symbol, or design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competitor.” Phillip Kotler (1984)⁵

Both definitions connect many different economic, sociological and emotional perspectives in the understanding of a certain topic that is affecting us on a large scale. In this part of the paper we will primarily focus on global brands, since they are most important when we are evaluating the Country of Origin effect.

Holt et al (2004) have commented upon the increasing importance of global brands, whereas the lack of the adequate definition for it. Although global brands have

⁴ Accessed: 2016. Dictionary . [ONLINE] Available at: <https://www.ama.org/resources/Pages/Dictionary.aspx?dLetter=B&dLetter=B>.

⁵ Accessed: Philip Kotler, 2006. Marketing Management (12th Edition). 12 Edition. Prentice Hall.

become an import organizational issue, there are only several definitions that can be found in academia. Depending on a perspective, that can be customer or geographical, the definition can vary in meaning.

“The worldwide use of name, term, sign, symbol, design or combination therefore intended to identify goods or services of one seller and to differentiate them from those of competitors” is the definition used by Cateora and Graham (2007)⁶, stressing the importance of the consumers perspective while defining the topic.

“A global brand expresses the same values in all of its markets and owns a similar position vis-a-vis its competitors around the world” Barron and Hillingshead (2004)⁷

The contradiction between two perspectives can best be seen in the different opinions between Townsend et al. (2009) and Dimofte et al. (2008). This two tend to have a diverse comprehension of the meaning of a global brand. By Townsend, the global brand is an environmental issue that is being distributed and dealt with on several different geographical locations, while Dimofte protects the perspective of the consumer giving their opinion the edge. Dimofte’s opinion is that brand is not only defined by its geographical location, but also by the fact that consumer thinks a brand is actually global.

In the Chapter 2.2 we have covered the implications of globalization in a modern society. That is why the changes in trade, Foreign Direct Investment and regulations have modeled a new world around us, complied with different issues. Now the brand and the overall branding has much importance in the development of the International Marketing strategy, as well as the General strategy and the direction of the organization not only locally, but around the world.

The situation is such as it is because the literature in the past century has considered brand only a part of the marketing mix issue. The number of papers released

⁶ Accessed: John L. Graham Philip R. Cateora, 2008. Marketing internazionale. Imprese italiane e mercati mondiali. Edition. Hoepli

⁷ Accessed: EmeraldInsight. 2016. EmeraldInsight. [ONLINE] Available at: <http://www.emeraldinsight.com/doi/abs/10.1108/02756660410515967>

on the topic in the period between 1975 to 2005 is around 40, which is a surprisingly small number, considering the importance a brand has on an international marketing scale. That understanding led the findings to be mostly local and not global, which is needed for commerce in the 21st century. In the past century, brands and branding have been tested in the fields of whether to standardize or localize (Oishi, 2004), but that is not sufficient. That is why in the future, brands will bear even more importance.

Many studies have stressed that the implication of global brands on a local market is very important because of many differences that can be misunderstood on different locations. Strizhakova et al. (2008) have conducted an experiment showing the actual differences on the market. Although customers have purchased the exact same produce, their perception on what the brand stands for and what are the orientation and values of the organizations producing them are completely different. They go to such lengths that in different geographical areas there are same goods used for different things. The study also underlined that customers coming from different locations have a different perception of quality and self-identity. Barta et al. (2000) stated complimentary that customers from developing countries have a tendency to view brands coming from developed countries as an element of prestige or status.

Understanding the brand and global brand implications is crucial in the modern business world. That is why there must be a level of importance on how the global brand is actually developing. The message and value proposal must be the same on all markets worldwide, and the specific alterations of the strategy must be made locally in order to create a truly global brand. The level of information and other parameters continue to influence the customer decision process, but the marketing efforts should follow a unified goal of portraying all of the brand equities as a bundle of benefits customers will receive.

2.4 Country of Origin Effect

2.4.1 History of Country of Origin

Country of Origin is one of the most popular topics in the area of International Marketing matched only by Market Entry Strategies and Global Branding. It has been stated by Papadopoulos and Heslop (2002) that this topic is one of the most intensively researched topics in the literature of International Marketing Management. Phau and Prendergast have argued that the number of academic, research papers and experiments on the topic is somewhere around seven hundred published and released from the 1960's all until now. Depending on different scenarios and actual topics on the market, it has been tested on several occasions, but mostly to prove the effects between individual aspects and correlate it with the Country of Origin. Some of them are well known to us because they are symbols of a brand category such as quality perception, willingness to pay etc.

Although the preliminary symbols and indications of such phenomenon could be found in the history of human civilization, in other words, as soon as people started settling down and marking their territory and property, it is believed that Country of Origin in its current form was conceived after the First World War. The victors wanted to make a clear distinction between the prior friend and foe, and by such behavior gave a significantly bad reputation to goods produced in countries coming from the other side of the barrel. This made a compelling case in differentiating wanted from unwanted goods and the "Made In" label began to play an important role.

The first time when the Country of Origin started being perceived as to have a powerful influence was in the 1960's. Before that time, consumers decided actual quality of the good only upon the exclusivity and price, and in the early sixties the academia started experimenting with the topic. (Sohail, 2005). In the beginning phases of the research, the aim was to determine if the Country of Origin effect existed at all, and after a lot of critic coming from peers, the topic was investigated with more sophistication. (Schooler, 1965; Reiersen 1966, 1967).

In the following decade the topic gained more attention and the effects of consumer perception, its attributes and quality were starting to be connected to the Country of Origin. (Chen, 2004)

The 1980's were a turbulent time, full of meaningful changes on the world market and as the effects of globalization settled in, there were noticeable changes in the business environment, too. Logically, researchers wanted to develop their theories and adjust to the changing environment making them more up to date and useful. The main aspect was to identify what actually drives the mindset of a consumer towards a significant level of quality in a product. The main goal of researchers was to use the effect as a part of the marketing strategy pushing the existing brand further with significant ease, making the effect more obvious.

Because of the geographical and cultural background, certain areas were specialized in certain goods and services and have been recognized with quality. This has created a certain stereotype that diversifies the goods but also allows part of the culture to stay intact. In the modern time, the "Made In" label is obligatory for all goods that are leaving the borders of one's country, making the effect even more interesting and intertwined around the world.

By Usunier (2006), the globalization has negatively influenced the Country of Origin because of the understandable reason that the customers no longer have a clear representation of where the goods they tend to purchase are coming from, due to massive changes in the business decision making. On the other side, some scholars still believe in the effect and influence of Country of Origin on the purchasing behavior of consumers (Josiassen and Harzing, 2008).

It is easy to illustrate the importance of the "Made In" effect by reflecting on the image and reputation of Japan over the years. During the 1950's, the goods coming from Japan were considered as knockoffs of actual products from the western world, while during the 1990's and the beginning of the century, the goods coming from Japan have been viewed as high quality hi-tech products. Because of these changes, it is

important to keep up with the recent developments on the worldwide basis which may give us the necessary information when conducting affairs elsewhere.

The following table represents the implications and research in the field of Country of Origin from the 1965 until the beginning of the second millennium.

Source: Dinnie, K. (2003) Country-of-origin 1965-2004. Available at:
http://www.brandhorizons.com/papers/Dinnie_COO_litreview.pdf

Year(s)	Author(s)	Conceptualization of Country of Origin Construct
1965	Schooler	First study in the Country of Origin literature. Established that a Country of Origin effect does exist, but did not investigate and direction of such Country of Origin effects.
1969	Schooler and Sunoo	Investigate consumers' perceptions of international products by constructing regional versus national labelling. (Example: Made in Latin America)
1970;1977	Nagashima	Longitudinal approach taken to examining "Made in" product image. Findings included the dynamic rather than static nature of country image.
1978	Yaprak	Both general country and product attributes and specific product attributes, found to be statistically significant in affecting purchase intention. Exemplifies the conceptual advances made in Country of Origin literatures once the simple single cue manipulations from the 1960s.
1989	Han	Demonstrated the country image can be used by consumers in product evaluation either as a halo or a summary construct.
1993	Papadopoulos and Heslop	Criticized the Country of Origin construct as being narrow and misleading, since it assumes a single place of origin for a product. Proposed the term product-country image (PCI) to account for the multidimensional character of products/brands and also the multiple places potentially involved in a global production system.
1996	Thakor and Kohli	Introduced the concept of brand origin, defined as the place, region or country which the brand is perceived to belong by its target consumers.

1998	Askegaard and Ger	Argued that analyses of images attached to a product and its place(s) of origin must use a richer set of connotations and stereotypes than is used in standard approaches. Acknowledged the cultural context in consumers' product evaluations by proposing the concept of contextualized product-place image (CPPI).
2001	Javalgi, Cutler and Winans	Addresses the dearth of studies in the Country of Origin literature relating to the marketing of services rather than tangible products.
2001;2003	Lenartowicz and Roth, Laroche, Papadopoulos, Heslop and Bergeron	Examined the effects of within-country subcultures on business outcomes, as opposed to most previous Country of Origin studies which implicitly assumed that national markets are composed of homogeneous consumers.
2002	Parameswaran and Pisharodi	Posit that an understanding of acculturation and other assimilation processes of immigrants would be valuable to domestic and international markets operating in culturally heterogeneous societies.
2003	Quelch	Places geopolitical concerns into the Country of Origin domain.
2003	Chisik	Moves Country of Origin towards nation branding through focusing on Country of Origin reputational comparative advantage.

Table 1. Conceptualization of the Country of Origin

2.4.2 Country of Origin

Like many topics in marketing, the Country of Origin definition depends on the author and the time frame that the paper was written in.

A simplified version of the definition was stated by Amine, Arnold, & Chao in 2005 that "The Country of Origin of products is operationalized in this study and communicated through the phrase: "Made In" as an external cue of product quality to consumers"⁸

⁸ Accessed: Amine, L. S., Arnold, M., & Chao, C. H. (2005). Exploring the practical effects of country-of-origin, animosity, and price-quality issues: two case studies of Taiwan and Acer in China. *Journal of International Marketing*

Watson & Wright (1999) wrote that the best way to define the effect is as “a positive or negative influence that a product’s country of manufacturer may have on consumer’s perceptions or their decision-making process or subsequence behavior”.⁹

“Information pertaing to where a product is made” was a on point statement by Zhang (1997) explaining the problem in simple terms.¹⁰

“Country of Origin is the term used to describe where products or goods originate from and encompasses agriculture, manufacturing or production. It is most commonly referenced by the term ‘Made In’ which denotes an association with the place of origin.” was cited by Future Brands (2014).¹¹

Rules of Origin is one way to determine the Country of Origin and the World Trade Organization defined it as a “criteria needed to determine the national source of a product”.¹²

In summary, the Country of Origin is the place, region or a country where a good is made, and where it is coming from. By looking at the Country of Origin as a main category, there are four subcategories explaining the individual production activities, them being: Country of Manufacturing, Country of Assembly, Country of Design and Country of Brand. These subcategories of the Country of Origin concept are mostly relevant for hybrid products with global ethnicity when firms make the decision to outsource their production (or some manufacturing parts) because of the cheaper labor force and thus a product cannot be identified with only one country (Chao, 1998).

Country of Origin, Country of Production and Country of Assembly by Chao (2000) play a critical role in influencing consumers priority systems throughout the world.

⁹ Accessed: Watson & Wright., (1999). Consumer ethnocentrism and attitudes toward domestic and foreign products. *European Journal of Marketing*. Vol. 34, No. 9.

¹⁰ Accessed: Zhang Y., (1996). Country-of-origin effect: The moderating function of individual difference in information process. *International Marketing Review*. Vol. 14, No. 4.

¹¹ Accessed: Damien Moore-Evans., (2014). Made in: The Value of Country of Origin on Future Brands

¹² Accessed: 2016.[ONLINE] Available at: https://www.wto.org/english/tratop_e/roi_e/roi_info_e.htm

In September 2007 issue of “Journal of International Marketing”, Usunier and Cestre have defined the Country of Manufacturing as a “Made In Country” that could be immensely used in the pioneering stages of the origin research. Country of Assembly is the country where the goods have been assembled from raw materials or semifinished materials. The Country of Design is currently one of the most popular effects, mostly because of the fashion and hi-tech companies that are moving their factories “overseas” but still want to have a connection with their heritage and original roots. By Nebenzahl, Jaffe and Lampert (1997), the Country of Design is the geographical location where the goods were originally developed or designed. Finally, the Country of Brand is the country where the main office of the organization is set, and it is not bound to be in the same country as other elements.

2.4.3 Country of Origin Effect

“The country of origin image is the overall perception consumers form of products from a particular country, based on their prior perceptions of the country’s production and marketing strengths and weaknesses” (Roth and Romeo, 1992 in Zhang, Yong 1996).¹³

Country of Origin Effect could also be defined as an image, reputation and a stereotype that customers connect with a produce of a certain country. It is built around many demographic, economic, political and historical aspects, which make a difference between that product and the next one. (Nagashima, 1970)

“Country of origin is a reflection of a general customer perceptions about the quality of goods which are produced in a particular country and the nature of people from the given country.” is a definition by (Knight & Calantone, 2000)¹⁴

To conclude, the effect of the Country of Origin is the conscious or

¹³ Accessed: Roth, M.S. and Romeo, S.B. (1992), “Matching Product Category and Country Image Perceptions: A Framework for Managing Country-of-origin Effects”, *Journal of International Business Studies*, Vol 23,

¹⁴ Accessed: A flexible model of consumer country-of-origin perceptions: *International Marketing Review*: Vol 17, No 2. [ONLINE] Available at: <http://www.emeraldinsight.com/doi/abs/10.1108/02651330010322615>

subconscious reflection that consumers have while purchasing certain goods which then builds a paradigm of different emotions towards a particular country. It is a perception of the customer, he or she has of the produce coming from a particular country in the wanted product category. Depending on the prior experiences and the historical and cultural situation, the effect can be positive or negative.

Clearly, the easiest way to demonstrate the Country of Origin effect is just by looking at the most prominent examples. No matter how well you know geography, or actually understand the concept of quality and taste, certain countries are synonymous with a certain product category, thanks to the prior success, culture and heritage. Examples of such stereotypes are Italian fashion, French perfumes, Japanese technology, German cars, American airplanes etc.

Source: aBlogtoWatch. 2016. "Swiss Made" To Mean A Whole Lot More For Watches In 2017 | aBlogtoWatch. [ONLINE]



Figure 2. Made in Switzerland

The effect has contributed to the fact that the certain product category is instantaneously connected to a specific geographical region, and that has been and is still used as an International Marketing element presenting itself as a clear benefit. Or in cases where it is not so, as a clear barrier to entry. In the following paper we will examine certain elements considering the differences between developed and developing countries.

2.4.4 Informational Cues

When considering the implications of the Country of Origin, we evaluate the information cue that has a service to declare certain product attributes, among which the most important is the quality. The findings of Hong and Wyer in 1989 demonstrated a certain symbolic or an emotional experience in the cognitive process of the customer. That process could be developed by a system of attitude, orientations, interests and intentions, and plays a crucial role when considering the parameters such as quality.

Erickson, Johansson and Chao (1984) discussed the idea that especially in the domain of tangible goods, the country of origin can easily be a representation of one country's reputation, and can have a significant influence on customer behavior. Definition by Eroglu and Machleit (1989) states that a cue is an external dimension which can categorize the product by a certain level.

Bilkey and Nes (1982) stated that informational cues represent the starting point of customer experience. That is why a certain good may be portrayed as a specter of informational cues. Informational cues may be divided into two main categories: intrinsic, such as performance and taste, as well as extrinsic informational cues that represent the price and the strength of the brand name.

Han and Vern (1988) discussed that the process of searching for a product and using the intrinsic cue can be conducted only when you have a sample to taste or smell the actual product and then make a decision, but in occasions where consumers are not given a particular good, then the consumer is faced with an opportunity to evaluate a product based solely upon the extrinsic informational cues, among which the Country of Origin is the key factor.

Underlining that the information is key and in the scenario where the consumer has the time and will to learn something about the product, the combination of the cues results in a higher importance of the Country of Origin.

2.4.5 Importance

To reflect on the effect and to understand it is an absolute must in the world of marketing that is constantly undertaking change. It is important to recognize the customer perceptions, attitudes and orientations towards specific countries and regions, regardless of their historical background as far as goods and services in a given category go.

Because of the eminent effects of the Country of Origin, the marketing tools used by specific organizations have evolved and changed. With the ability to track and follow the success rate of sales and marketing, a development of a completely new line of products was apparent on the world market. That is also why today in the actual names of the products we have a specific geographical location that is triggering a certain emotional response in our mind. Adjectives such as greek and scotch in Greek Yogurt and Scotch Whiskey are just one marketing element added to the name of the product in order to make it more superior, based on their reputation. The core issue is to develop a clear differentiation where a product coming from a particular country is viewed as one with additional value.

For this reason, the organizations have gained additional revenues from formulating the price around a specific name. At the end of the day, the price is just one of many main marketing pillars that form the overall picture of the product. “One of the consequences of brand equity is that the brand may command premium prices” (Keller, 1993).¹⁵

It is also important to rate, follow and investigate a specific trend of people towards goods from a specific country and draw a conclusion why goods are having more or less success on a foreign market. This could make a difference between making and breaking the expansion on an international market.

¹⁵ Accessed: Keller , K.L.(1998). Strategic brand management : Building , measuring and managing brand equity. Upper Saddle River , N.J. : Practice Hallz.

Nagashima (1970) has argued that this effects in a single country can be highly evident. Underlining that if the reputation and relation of one country is positive inside a second one, it will have positive implications on a foreign market. In the reverse scenario, the outcome is vice versa. This implication may have a negative impact on countries with low to medium economic development and reputation on a global trade market, as well as countries that have recently experienced wars, terrorist attacks or other inconvenient events.

2.5 Elements of the Country of Origin Effect

2.5.1 Ethnocentrism in consumer society

The effects of Country of Origin can differ from country to country. In developed countries that have a naturally high ethnocentric view of goods, the effects are less visible.

The logic behind it is that the customers view themselves as a part of an ecosystem and if the foreign organization is not bringing any clear benefits to the surroundings, it is not desired. The study by Knight conducted in 1999 compared and showed that, when having a choice, a consumer coming from the United States prefers the Country of Manufacturing, as long as it is locally made, to the effect of Country of Origin. The importance of producing locally is driving foreign investments to that specific country and by that, creating a greater benefit for the state by taxes and new jobs, but with a better rate of satisfaction of local consumers. This study underlines the importance of location and how it may influence different products and product categories. Knight stated that using patriotic appeal strategy may not work when the importance and mark of the Country of Origin is low in a specific product category.

The recent entrance of FIAT on the American auto scene as FIAT Chrysler has positively influenced, not only the FIAT brand, but also other American brands under their belt, making record sales in the 2015.

2.5.2 Attitude

Attitude is one of the elements affecting the performance of the organization that is not easy to notice and obtain, but still plays a crucial role in the development of the decision-making process. Schiffman, Kanuk and Hansen have defined attitude in 2008 as an effect that occurs while gathering information that can be manifested satisfactory or dissatisfactory through our behavior to an individual object or a person. From this point of view, it also resembles the momentarily satisfaction or dissatisfaction

towards services, organizations, as well as towards a Country of Origin. In the general literature there are differences in the portrayal of attitudes because some authors discuss the elementary and main principle, whether it is: feelings, behavior, knowledge or an equation of knowledge and feelings.

“Attitude is an individual measurement toward brands, product category, person or attitude.” East (1998)¹⁶

Attitude is especially important because of its close connection with the Country of Origin effect. Knight and Calantone (2000) have stated that the outcome of the general attitude of a consumer towards a Country of Origin of a product depends on three main elements, them being: knowledge and understanding of certain products and brands, the element of favorable attitude towards a home country good and the last one, purchasing behavior with the specific country. That is why leveraging the level or recognition and quality on international territories may have benefactor results for organizations. Furthermore, this model pushes forward goods from the developed countries mostly because of the last experience and the general attitude.

2.5.3 Decision Making

In order to create a scenario where a person can live the life he or she wants, a lot of decisions have to be made. That is why decision-making is an activity that defines us as species, and the difference between cultures and customers run deep in this aspect of the human behavior also.

The globalization has created a world where national and international firms compete over market shares and it has created a large number of products, product types, taste, shapes and sizes. Overall, the consumers have the ability to choose their own preferred good. That is why Pfister and Böhm (2008) argued that all of this has created life even more difficult. In other words, the variety and choice some view as a

¹⁶ Accessed: East, R. (1998). Consumer Behavior: Advance and application in marketing. Hertfordshire, UK: Prentice Hall.

benefit, others see as an aggravation that is not going to decrease anytime soon. The main statement of their research was that people in general tend to dislike making hard decisions and that the decision making process is always complicated, especially when there is too much to choose from. They investigated the inability of people to gather sufficient information with the combination of their personal resources, such as money or time, and that customers are experiencing constant exterior influence.

On the other hand, the research that was conducted by Ajzen & Fishbein in 1977 is more in line with my personal opinion. Essentially, they argued the importance of information and customer engagement in the purchase. The research showed positive correlation between the engagement of the consumer and the overall attitude and feeling towards a certain product or a brand. This contradicts the prior statement of consumers not having the ability and need to have in-depth understanding of the goods. Knowledge can make the actual difference, as it was stated in the 2.4.2 part of the paper with the change of attitude about the organization, brand or a product, and in that way it is influencing the Country of Origin effect. This connection will actually build a foundation for the customer to make a differentiation by, making the actual decision a great deal easier that will result in the purchase of the wanted good. (Yasin, Noor and Mohamad 2007). As far as influencing the consumers, powerful brands have an upper hand, but to control the overall emotion of the buyer in the field of Country of Origin will depend on a number of additional factors making it important, but insufficient to fully dictate the decision making.

2.6 Country of Origin Effect implications

Making a clear distinction between developed and developing countries has divided the world on several occasions. That is why there are still differences in the level of effect in the business environment, as well possible success that an organization may attain in the international environment depending on its location and origin. The historical, cultural and economic ties of particular regions and nations affect the relationships that are made, deals that are set and economic wheels that are put into motion. When analyzing the Country of Origin effect, it is necessary to consider the literature and the distinction between the added benefit developed countries have from their context, and the barriers and bias for products and brands coming from developing and underdeveloped countries.

2.6.1 The Country of Origin Effect for Products from Developed Countries

“It has been found in many studies that products originating from more developed countries are also subject to the effect Country of Origin” (Reierson 1966).

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Schooler and Wildt (1968) said that there are a few factors that make a distinctive difference between developed and developing countries and nations, as well as a difference in products and their evaluation. Among them we find price of the product and design. When Nagashima conducted his survey in 1970, he found that products that were made in the U.S. are viewed as more prestigious by the Japanese consumers and businessmen than those of their own country or other European countries. He measured consumer's perception of various items and products that were being made in developed countries, such as UK, France, Italy, Germany, Japan, as well as Canada, i.e. countries that are highly industrialized. Furthermore, in that research, consumers rated products from the U.S. as top products on the market among many other developed countries. These products originating from the U.S., who were labeled

¹⁷ Accessed: Reierson, Curtis (1966), "Are Foreign Products Seen as National Stereotypes?" Journal of Retailing, (Fall), 3340.

as the best there is, include such categories as food, electronics, and textiles. (Choi, 1991)

2.6.2 Consumer Bias against Products from Less Developed Countries

Country of Origin, being a very interesting marketing topic of research, has brought us a great deal of academic papers and researches trying to develop findings based on the perspective of developing or underdeveloped country. Over the years, academic researchers, such as Hong and Wyer (1989), Gaedeke (1973), White and Cundiff (1978), Han and Terpstra (1988) and Han (1989) have argued in their research that the population has a habit to rate and give worst rating to particular goods and services arriving from the developing countries in respect to developed countries.

The Country of Origin effect is different when it comes to the level of development of a certain country. When it comes to the level of economic development of a country, Papadopolous et al. (1990) distinguish between market and industrial development. It is common that these two stages take place at the same time, but of course, there are exceptions: China, being a socialist country, as well as formerly-socialist countries from Eastern Europe. It is found that a more developed market is, it enhances customer's view of a certain country, when compared to a less developed market.

Usunier (1996) said that the products that come from less developed countries are seen as to be of lesser quality than those products that originate from more developed countries. In addition to this, there is a higher demand for imported products in the developing countries more than in the developed ones. In developed countries, consumers go for domestic products rather than imported, which clearly demonstrates the phenomenon of ethnocentrism in society.

Johansson and Nebenzahl (1986) stated that brand image decreases if goods are made or designed in a less developed country. Cordell (1991, 1992) explored the image of developing countries in correlation with luxury products or when there is a financial or performance risk.

2.7 Migration

Going away or a general migration is a phenomenon tightly connected with the population, that is even with the help of modern statistics and measurements hard to predict and control. This becomes a substantial issue, especially when we are talking about high skilled labor force that is bound to feel more the effects of a certain political or economic regime.

Population or the basic inhabitation of one country is an essential and key factor of social and economic development. The population is under the influence of the life standard, stability, so level of development is changing and has an effect on the locational changes of certain people.

The demographical changes and the overall structure of the population are very closely linked, and at the moment it is hard to differentiate especially when these processes are examined from the point of economic development of a certain location or a bigger territory of land.

There are a lot of reasons for migratory action, but from the beginning of the civilization until now, the basic principle was the same and it is a more certain and secure future. There are many people today trying to leave the borders of their country on many levels and ways.

Professor Vlajko Petkovic (2005) argued that the three main categories examined in the past, pending on their political situation, are no longer applicable. Now we have to consider a wide horizon of elements when examining someone's need to leave.

The migration in the current date and time and the contribution of the migrants depends on various factors such as: level of education, ethnical origin, geographical origin, age and sex.

By Prof Vladimir Grecic (1998) there are several different types of migrations, determined by their outcome and reasoning. The following types of migration are:

1. Migration for the sake of work arrangement,
2. Migration for educational purposes,
3. Migration for further improvements and self-development,
4. Migration to seek job opportunities,
5. Migration as a goal to move to another country,
6. Migration for entrepreneurial reasons,
7. Unregulated migration.

Migration of population is a frequent phenomenon that cannot be foreseen, and as we speak there is a huge migration issue at hand, like many before it. At the moment, because of the perilous situation in their home country, hundreds of thousands of people are leaving their home in order to search for a safe haven in Europe, that has started one of the biggest waves of migration in recent history.

“More than a million migrants and refugees crossed into Europe in 2015, sparking a crisis as countries struggled to cope with the influx, and creating division in the EU over how best to deal with resettling people.”¹⁸

¹⁸ Accessed: BBC. 2016. Migrant crisis: Migration to Europe explained in seven charts - BBC News. [ONLINE] Available at: <http://www.bbc.com/news/world-europe-34131911>.

Source: BBC. 2016. Migrant crisis: Migration to Europe explained in seven charts - BBC News. [ONLINE] Available at: <http://www.bbc.com/news/world-europe-34131911>

Migrants detected entering the EU illegally, 2014-2015

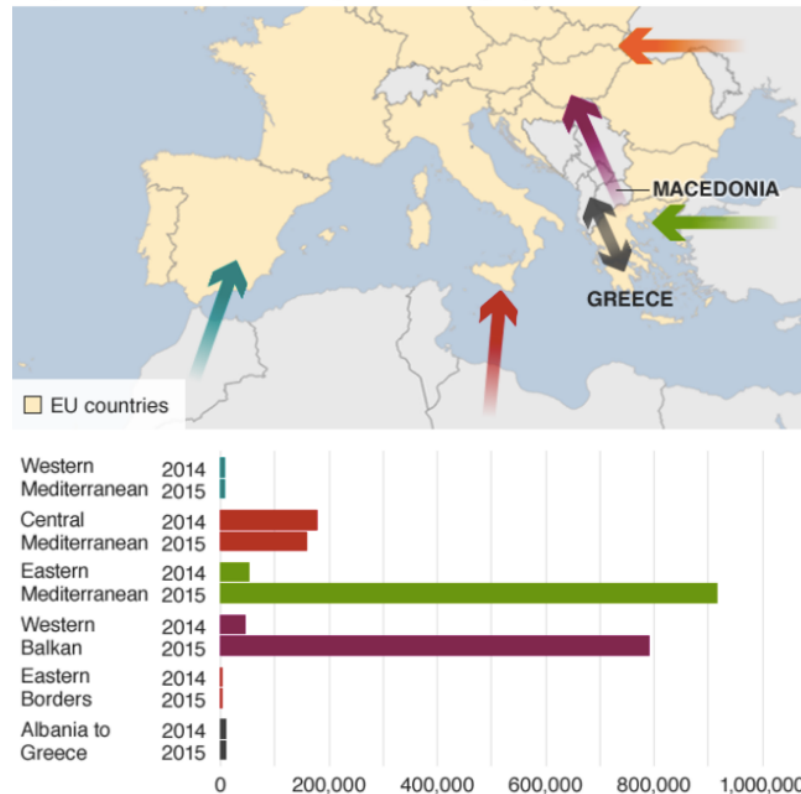


Figure 3. Movement of Migrants

The movement of migrants has put enormous stress on the relations of EU states, as well as non-EU countries, that have to work together in order to resolve the issue. As seen in this example, the migration is an essential element of modern lifestyle, and it is up to us to follow it, better understand our surroundings and how a certain action across the world can have influence on massive changes globally on the economical and social level.

2.7.1 Diaspora

The dispersion (Greek: “διασπορά”) is the word from which the diaspora comes from. It is “the movement, migration, or scattering of people away from an established or ancestral homeland.”

Steenkamp and Kumar (2013) stated that people around the world are migrating all the time. The authors of the book themselves stated that they fit in the 215 million people that are first-generation migrants. In real terms, that number represents roughly 3 percent of all people in the world, and they further say that “If migrants formed a nation, it would be the world’s fifth largest between Indonesia and Brazil”. Also they made a conclusion that in numbers, there is even greater number of second-generation migrants.

Changing the location and the search of a new life has been a characteristic of us as a species. The very beginning of migration can be traced as far back as the Ancient Greece. Part of their population migrated from the mainland overseas in order to build colonies.

The migration and the phenomenon of diaspora exists until today also. Now more than ever, people that are migrants can stay connected to their roots, and respect and follow their traditions and taste preferences even in the most remote parts of the world. By Steenkamp and Kumar (2013) that is because of the three main factors.

Firstly, they stated that the power of diaspora from organizational view is not in high prices but in their quantity. Some of the countries around the world have a large number of foreign people living on the territory of their country. The number of people drives demand and demand makes the economy work in their favor. In the decade before us, the number of migrants has grown for about 40%, making it a significant number to bear. Furthermore, there are around 52 million people around the world coming from China and India, there are 32 million Mexican-Americans on the territory of the United States of America and closer to us, Germany is home to about 4 million Turks that constitute a large market.

Secondly, the economic and political openness of main contributors to the number of migrants, it being China and India. Most developing countries have undergone thorough economic, social and political changes resulting in more modernized countries oriented towards global integration.

Lastly, as mentioned earlier in the chapter, the actual distance and impossibility of communicating freely worldwide. Now people have an opportunity to stay connected via several social networks, to talk roaming free across the world and see their friends and family over a screen without even considering the charges in transport that made frequent visits and transfers possible. This all has created a favorable system of goods from developed countries to advance and shift across nations.

Coming from an ex-Yugoslavian country, both my friends and family became part of the wave living as a first-generation or second-generation of migrants. On the territory of ex-Yugoslavia during the 1990's, a civil war took place and people saw that as an opportunity to search for their rights and living standards elsewhere. Statisticians show that there is a population of around 6 million Serbs living around the world, most of them in Germany with a number of almost 450,000 and in United States of America with more than 650,000 people.

The effect of diaspora is also present in my favorite food, and that is - you've guessed it - pizza. The story of pizza and its origin from Naples is well known but how did pizza actually become a favorite meal of people all around the world? The main contributor is actually the migration of Italian people to the United States that took place after the Second World War. The pizzerias opened targeted the Italian-American population, but also the local population took a liking and with the spread of the American culture worldwide, pizza also spread. That is why there are variations of an old Italian specialty around the world. This example can clearly demonstrate the impact that diaspora can have on both the local and migrant population even in terms of multiple countries and regions.

2.7.2 Brain Drain

The actual term Brain Drain was used for the first time by the Royal Society while researching the phenomenon of why great scientists and technicians left Europe after Second World War to work in North America. This phrase was also used in Britain while examining the influx of Indian mathematicians, scientists and engineers, but in a

different context. The term used was "brain gain", or the addition of skilled workers and professionals from one country to another. Several more phenomena are explained in literature in correlation to brain drain such as "brain waste", the concept reverse from brain drain, and also "brain exchange" in more modern literature.

The actual term "brain drain" indicates the phenomenon of professionals and experts in their fields that are leaving their country behind in order to receive better monetary compensation and living conditions on the market of a different country. This action brings stability and prosperity to one's family, as well as peace of mind for future work and research (Grubel, 1994).

Although the implications are obvious, this definition is not capable of capturing the complex effects this actions have. That is why this phenomenon has been studied from the 1960's, and with the birth of globalization and modern trade has gained new importance and forms.

One of the main reasons for high concern with the brain drain issue is the fact that by Romer (2001), human capital with extraordinary talents is one of the main determinants of the growth of a country's economic performance and the overall development of a country.

By understanding the concept, it is crucial to underline that these implications have effect, not only on social frameworks in a region, but also on the mobility of workers and their contribution that has a huge role in economic and professional aspects.

At the end of the day, the most valuable resource any organization has is its people, and how well people operate and work together makes up the productivity of the organization. Many sources such as KPMG, PWC and McKinsey stated that the "war for talent" is currently happening, meaning that skilled and responsible managers are hard to find which brings the importance of labor and the brain drain issue even further, and by that, a differentiation between developed and developing markets.

Meyer et al (2001) discussed that the changes worldwide have influenced the preliminary field of employment, and that there is a shift towards a more service-based employers. That means that there is a greater demand for white collar individuals. That is how and also why the organization is more free, and human capital can be released from their physical presence.

The shift in literature has created two main trains of thought orientation, them being internationalist and nationalist.

After the development of the concept of brain drain in the 1960's, researchers noticed that there is a shift of highly skilled workforce coming from less developed countries towards more advanced countries, without differentiating them into individual sectors. Bhagwati and Hamada (1974) underlined the loss of people or in this case, resources of developing countries. The argument is that the countries under development foster and influence at their own expense on future highly skilled human individuals who then, instead of contributing to their homeland, go to their new destination.

Later on, during the 1990's of the past century, the scholars noticed an interesting phenomenon of migration. Boussaïd (1998) recognized it as brain exchange while representing the flows of human capital towards developing countries that created a more internationalized perspective that was needed in that great time of discovery and change. This modern view of the issue states that there is a mutual benefit from the phenomenon, and that both host and home country can excel over time.

Brandi (2001) stated that prior analysts have overlooked several key elements, and that is how a new school of thought was developed. Circulations explain the movement of people as polycentric, circulatory, temporary and prone to phenomenon of exchange between countries. (Gaillard and Gaillard, 1997)

As for the recent developments, Stark and Fan (2007) stated that the shift of skilled labor from one country to another forces an increase of talent in the country of origin and not the other way around. This conclusion is made based upon the assumption that the number of workers is greater than the actual number of job

opportunities on the home market. That is how and why the number and skill of the labor force of people not leaving the borders of their country is an added value to the home country. Although this methodology is new, Clemens (2009) argued that this results are not necessarily true because of the difference the skilled labor has on the development of the country that isn't particularly developed.

Chapter 3. Hypothesis Development

3.1 Variable overview

The goal of the study is to underline the importance of specific factors on the field of perception and image of a Country of Origin of organization and brands coming from the underdeveloped countries in order to commence the competition in the global economical environment. The two segments that should be examined are the fixed element over which we have to subtract the issue, and variable elements that are going to prove the connection and the implications of the stated variables on the fixed element. The field of research is the topic of whether the Country of Origin effect is a force negatively influencing the goods, services and organizations arriving from developing countries and in that way is an obstacle of their development on the global market. We will analyze this through the element of the Willingness to Purchase, making it a variable that is the most important to the connectivity of two different sides of the spectrum. With the growing importance of the global consumer and the trend of developing global cultures, it is necessary to further analyze the implication of such statements and develop an educated opinion on the topic favourable for future research.

The element that the research will be based upon is the Country of Origin effect, and the implication of two factors on the perception of foreign goods, services and brands in such an environment will be tested further in the paper. The variables that are going to demonstrate empirical findings are:

1. Diaspora effect,
2. Brain Drain.

The essential findings can be examined throughout the research while considering these aspects, but the element that is as important is the starting point. In other words, it is the result that comes naturally to the sample of the experiment. Without any external stimuli or influences, the participants can truthfully answer their opinion on the matter. Latter on we will compare and comment the findings through results.

Following these implications, the zero hypothesis is:

H0: The scenario of Serbia demonstrated in the research has a positive effect on the perception of the Country of Origin effect for that sample, in respect to participants who have conducted the experiment without a country being named.

H0.1: The phenomenon of Serbian Diaspora gave better results in respect to the scenario where no country is named.

H0.2: The phenomenon of Brain Drain with employees coming from Serbia gave better results in respect to the scenario where no country is named.

3.1.1 Diaspora effect

As stated earlier, the term diaspora and its effects are broadening each moment. In its core it represents a certain population of one country living within the borders of another country or a region. This has significant economic, social and political implications on the region and also worldwide. Underling the importance of a certain ethnic group of one nation outside the borders of their country is essential in the understanding of the elements triggering the perception, attitude and views of one country on another. As stated earlier, the researchers are highly divided on the topic of Country of Origin and the effect it has, mainly because of the time frame and the situational occasion the study was conducted for. Making a differentiation of whether the element is positive or negative is highly debatable, and further analysis of the diaspora is crucial in order to develop a clear picture that may come as an asset to the development of International Marketing plans and Strategies on certain countries and regions.

Therefore, the first hypothesis has a goal to investigate the implications of the Country of Origin with a variable of the diaspora, that has a wide spectrum of social, political and economic elements intertwined in order to manifest a certain pattern.

The further examination will be conducted on the example of the developing country, it being Serbia as one of the European countries under development on the Balkans in the interaction with developed countries mainly from the West. By understanding the diversity of perception and intention of the writers and scholars, for this hypothesis we will test if the implications are negative for the Home country, make the hypothesis to be:

H1: The diaspora effect is positively influencing the Country of Origin perception of goods and services from developing countries internationally.

3.1.2 Brain Drain

An interesting aspect of the variables examined in the study is that they have been strongly debated over the years and in that form have inspired many scholars, managers and analysts to form their opinions on certain factors, creating an issue in their socioeconomical landscape. When considering the importance of the issue, few can come close to the phenomenon of brain drain. The increasing significance of globalization, global development and expansion with the combination of migratory segments, is an issue changing the productivity level and future potential of individual nations. With that in mind, the significance of people from a nation on the perception and assessment of an another nation is very important.

By understanding the importance of the matter the hypothesis that will be tested is:

H2: The Brain Drain is positively influencing the Country of Origin effect of people located in developed countries of the organizations and brands from developing countries.

Chapter 4. Research Method

4.1 Content validity of the measures

In order to examine the implications of variables such as Brain Drain and Diaspora, the evaluation of measures is necessary. In order to get the point of comprehension to full extent on the Country of Origin effect, it is imperative to conduct future research and create a set of interdependent variables that may be from various field of academia, such as social sciences, psychology, political sciences and economy.

The main Dependent Variable that was used in the paper in order to connect the elements of the Brain Drain and Diaspora with the actual phenomenon of the Country of Origin Effect is the Willingness to Purchase aspects.

Willingness to Purchase can be defined (Kalish and Nelson, 1991) as a level of how much a consumer is willing to buy a product based on a certain price for a given quantity of goods, as well as services. By Eek and Gärling (1997) Willingness to Purchase is a crucial element in the development of the price and the components of the product or a service in order to define the margins and the possible business applicability of an industry. That is why Willingness to Purchase is one of the essential elements under which the consumer is considering the price and the quantity, and based on this opinion is making a decision how willing him or her is to buy it.

The reasoning behind the Willingness to Purchase is very logical and straightforward. By mainly considering that variable, we are constructing a hypothetical scenario in all six cases where we can examine the implication of certain data input on the response of the person conducting the experiment. It is necessary to use that exact variable as a measuring scale for the implications certain nations have on the perception of goods, organization brands and services of other countries. The basic assumption that was developed prior to the study is that there is a certain level of discrimination for goods coming from developing countries. The goal of the research is to examine that

phenomenon and to consider two increasingly important elements as anchors for the continuous changes on the consumer perception of the organization engaged in the international activity on the market of their country.

After the analysis of the questions related to the dependent variables, several additional questions were set in order to further understand the situation and examine the responses that were given by the respondent. The goal of such question is to examine the general opinions of the sample and understand the actual point in which the connection can be made. The ambition is to create interdependent and consequential statements that can give us appropriate progress of the consumers' general attitude.

4.2 Sample survey

In order to collect the relevant sample, people from outside the developing countries were needed in order to understand the perspectives and attitudes of nations that are highly developed. This was crucial in the development of the survey, as well as the formulation of the sample.

Sample was gathered through various personal channels of the author. In order to reach diversity and difference of opinion, people were contacted in various countries and regions. Furthermore, although the participants were mostly students, a lot of professionals participated in the study as well. Seeing that time and experience is crucial in understanding of the topic, age was also considered in the process that led to the development of the sample, and members that participated in the study brought differences in opinion also by that scale.

The number of participants in the experiment was 198. With 99 people doing an experiment on three different scenarios relating the issue of Brain Drain and their attitudes towards products coming from one developed, one developing and one nation that was not stated in order to receive results that differ based on the scenario. The other sample consisted of 99 people that have conducted a survey in relation to the Effect of Diaspora and its implication on the Country of Origin Effect. Program that was used to conduct the experiment was Qualtrics that has enabled an option of randomizing one of the three scenarios in order for participants to receive different storylines and by that produce different answers.

The experiment was conducted via internet, hence there was no need for direct personal contact.

4.2.1 Brain Drain Sample

The 99 participants that have been included in the study came from 16 countries. They have answered on questions based on their knowledge and experience. The

sample included participants that can be seen on the chart below, and are coming from: Italy, United Kingdom, France, Germany, Austria, Sweden, Spain, Holland and other¹⁹.

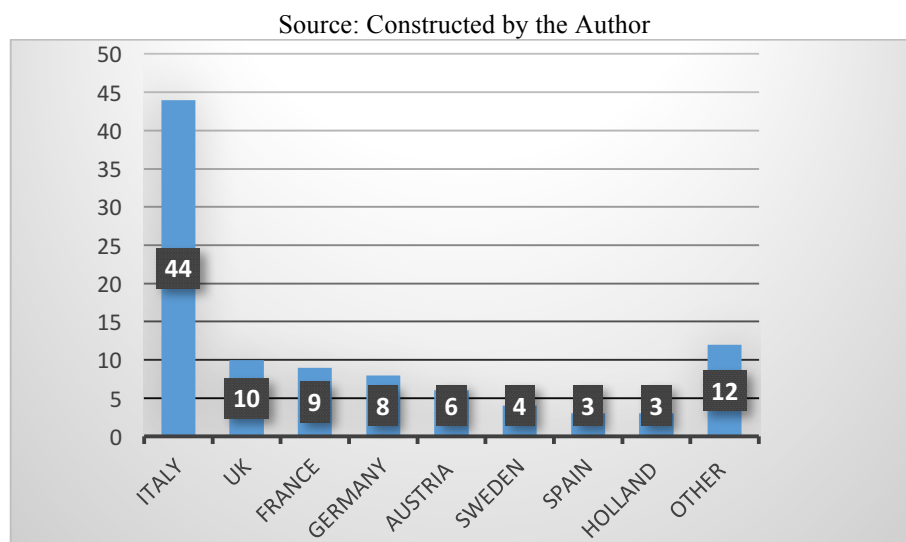


Figure 4. Country of Origin of Responders (Brain Drain)

By considering the sex of the sample the numbers are very much in the middle, with 44% of participants being male and 56% of responders being female.

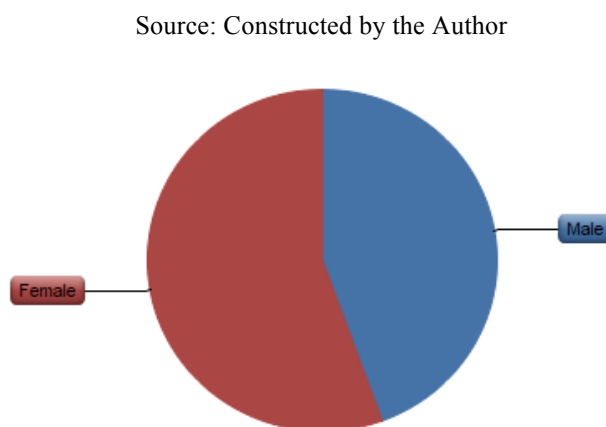






Figure 5. Sex of the sample (Brain Drain)

¹⁹ The other is represented through 7 countries that had two or less participants (Norway, Denmark, Iceland, Switzerland, Hungary, USA and Belgium)

The age range of the responders was divided into four categories. The students that are between 18 and 25, the second group is between 26 and 35. After that we have also considered people from 36 to 45 and lastly more than 45 years. The responders were mostly in the student age range with 53% and the second in influence came the age range from 26 to 35 with 38%.




Table 2. Age of Responders (Brain Drain)

#	Answer		Response	%
1	18-25		52	53%
2	26-35		38	38%
3	36-45		5	5%
4	More than 45		4	4%
	Total		99	100%

Source: Constructed by the Author

As far as the level of education of the sample that has participated in the survey comes to question, the majority of the responders finished their undergraduate studies with 72% of the participants.

Table 3. Level of Education of Responders (Brain Drain)

#	Answer		Response	%
1	High School		6	6%
2	Undergraduate		72	73%
3	Postgraduate		21	21%
4	Other		0	0%
	Total		99	100%

Source: Constructed by the Author

The area where a participant is living may play a crucial role in the comprehension of other cultures and differences. The sample has shown that the majority of 69% is coming from a developed city.

Table 4. Area of living (Brain Drain)

#	Answer		Response	%
1	Rural		1	1%
2	Village		9	9%
3	Town		20	20%
4	City		69	70%
	Total		99	100%

Source: Constructed by the Author

The interesting aspect of the research was the question that has a job to examine whether participants of the study have lived outside of their country. As expected, the majority of 71% hasn't lived outside of their country. That leaves us 29% of the sample that has lived outside their home country. As shown with the time interval, the majority of people that have responded have lived outside their country for less than a year with 41% and between one and three years with 52%.

Source: Constructed by the Author

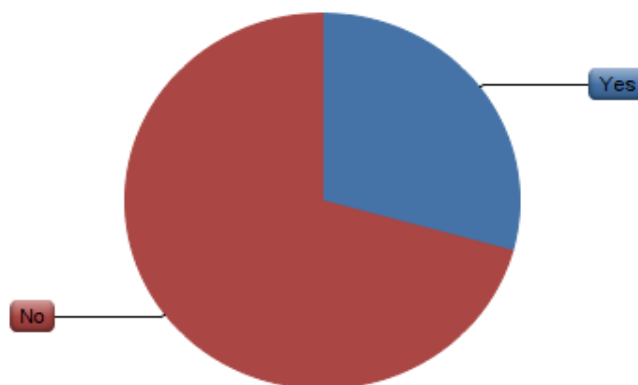


Figure 6. Living abroad (Brain Drain)

Table 5. Time abroad (Brain Drain)

#	Answer		Response	%
1	Less than a year		12	41%
2	1-3 years		15	52%
3	3-5 years		2	7%
4	More than 5 years		0	0%
	Total		29	100%

Source: Constructed by the Author

4.2.2 Diaspora Sample

The second sample that was intended for the phenomenon of Diaspora on the Country of Origin effect also had a sample of 99 people from 14 different countries. The origin of the participants was scattered, giving us a sample that is composed out of citizens of: Italy, France, Austria, Spain, Germany, UK, Switzerland and other²⁰.

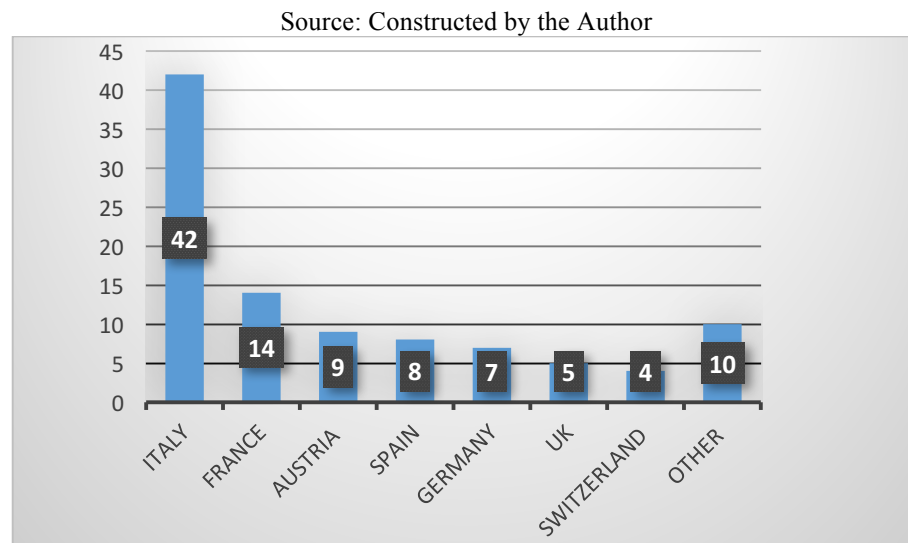


Figure 7. Country of Origin of Responders (Diaspora)

The sample was female in majority with 62% of responders being females and with 38 percent of male responders.

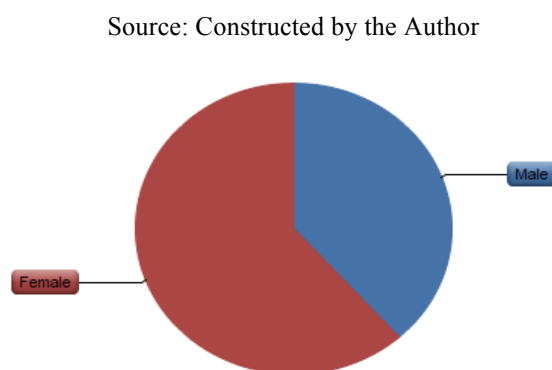


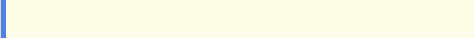



Figure 8. Sex of the sample (Diaspora)

²⁰ The other is represented through 7 countries that had two or less participants (Norway, Holland, Denmark, Iceland, Greece, USA and Australia)

The age range of the responders was also in this case divided into four categories. The majority of the responders were from the age of 18 to 25 with incredible 89%. The other 11% were divided among responders from 26 until 35 with 9% and people older than 35 making only 2% of the sample.





Table 6. Age of Responders (Diaspora)

#	Answer		Response	%
1	18-25		88	89%
2	26-35		9	9%
3	36-45		1	1%
4	More than 45		1	1%
	Total		99	100%

Source: Constructed by the Author

In the case of the second sample, the high majority of the sample are educated individuals with finished undergraduate studies with 86%, which is logical considering that the age of the sample is most of the cases was from 18 to 25.

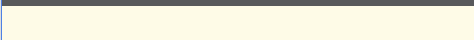

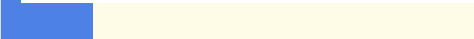

Table 7. Level of Education of Responders (Diaspora)

#	Answer		Response	%
1	High School		1	1%
2	Undergraduate		85	86%
3	Postgraduate		13	13%
4	Other		0	0%
	Total		99	100%

Source: Constructed by the Author

The grounds on which the sample is living hasn't changed from one sample to another. Again the majority of the sample is living in Towns and Cities with combined 96% of the participants living in the highly developed surroundings.

Table 8. Area of living(Diaspora)

#	Answer		Response	%
1	Rural		0	0%
2	Village		4	4%
3	Town		19	19%
4	City		76	77%
	Total		99	100%

Source: Constructed by the Author

To continue on the course of similarities between two samples, the second sample showed very much a similar situation, considering the aspect of living abroad. The majority remained inside the borders of their country (excluding traveling and leisure migration) with 78%, the remaining 22% lived in geographically different locations but for a short time interval, mostly for less than a year or between one and three years with combined 91%.

Source: Constructed by the Author

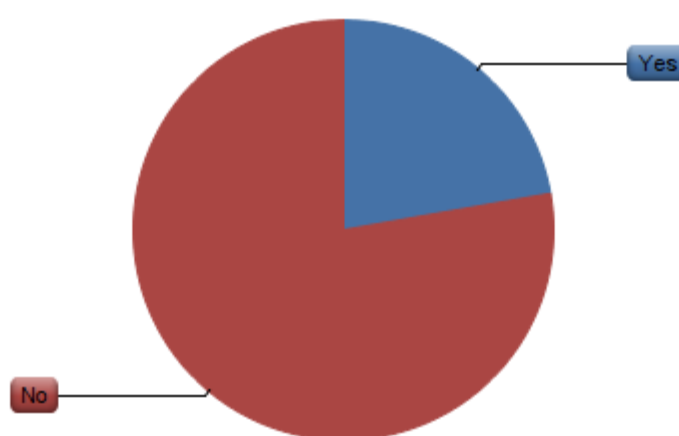


Figure 9. Living abroad (Diaspora)

Table 9. Time abroad (Diaspora)

#	Answer		Response	%
1	Less than a year	<div style="width: 50%;"></div>	11	50%
2	1-3 years	<div style="width: 41%;"></div>	9	41%
3	3-5 years	<div style="width: 9%;"></div>	2	9%
4	More than 5 years	<div style="width: 0%;"></div>	0	0%
	Total		22	100%

Source: Constructed by the Author

4.3 Instrument: reliability and validity

By collecting the data, instruments of the research strategy have to be used. By Yin (2009) there are five strategies that differ in their implication and intensity of the research.

Source: Yin K. R., 2009, "Case Study Research; Design and Method", Fourth Edition, Sage Publications Inc, Thousand Oaks, USA.

Strategy	Forms of Research question	Required Control of Behaviour Events	Focuses on contemporary events
Experiments	How and Why	Yes	Yes
Survey	Who, What, Where, How many and How much	No	Yes
Archival analysis	Who, What, Where, How many and How much	No	Yes and No
History	How and Why	No	No
Case Study	How and Why	No	Yes

Table 10. Research strategies

In the paper combination of two strategies were used in order to create an experiment through surveys that were given to participants.

By Scheuren, Herzog and Winkler (2007) in the modern time survey is a necessary element of research that can be mostly defined by gathering raw data and information from a certain sample of people. In that case, a sample is a statistical representation of a population. Population and Sample are two different things in the

complexity of research and the assumptions. Generally, surveys can have a wide variety of applications and may be used in every industry.

On the other hand, Experiment is a research strategy or a method of putting various assumptions to the test. These assumptions are typically called hypotheses. The way that the data is collected is through the development of a scenario that goes both sides in the conditions that are dictated by the person conducting the research. The two main components of an experiment are independent variables and dependent variables. Independent variables are formed so that the author may build up a situation where they may vary and change, and also that the dependent variable that is in the case of this study, the Willingness to Purchase, may be measured and to look into the changes and differences these variables had.

Both of them are important for the research because of the fact that the method of gathering information was via online survey, but the actual strategy of the research is the experiment. In the study, participants were asked a series of questions, after being given a brief scenario.

The scenario has a goal to demonstrate a wanted picture to the participant. In the study there are six scenarios. They are divided into two experiments that are analyzing the impact of Brain Drain in the first experiment, and the Diaspora Effect in the second. The independent variable is the Country that represents the Country of Origin Effect. Three scenarios are developed to look into the different opinions people have, when a developed country is considered (UK), a developing country is considered (Serbia) and a scenario not portraying a specific country, but state that is international. In that way we can track how much bias and stereotypes influence dependent variables.

The questions are posed so that the responder may have options to consider, and that the author may reach a trend based on the differences in responses. A Likert scale was used to utilize the answers. The Likert scale is used to express how much participants agree or disagree with a particular statement. The scaling points that were used were defined by Vagias (2006) in "Likert-type scale response anchors".

The formulation and the general approach to the instruments of the research are extremely important elements of academic research and work, that is why a great deal of consideration was put into the development of the model.

4.4 Design of Study

The Design of the study is the course of how the study has been developed. When analyzing the implications in the field the project has to be developed through individual parts, that are interconnected and interdependent.

The study is divided into ten parts. The first part was the creating of the test experiment. The experiment was conducted so it can target the right sample and create a wanted effect. The trial experiment that was conducted on the sample of 10 people has shown that particular differences occur in the analysis of the Country of Origin effect. The interesting element was the diversification of answers that were gathered based on the country in question. The basic principle was the perception of the public on three brand categories that are: automotive, high-tech, food and beverages. The scores were significantly higher for the country arriving from developed economies, which has created a background for the study and the construct of the study.

After devising a test, the results were taken as food for thought that has helped immensely in the development of the basic assumptions. Assumptions that were used in the development of the hypothesis were a combination of prior findings in the literature and the trial test. Basic principle shown was the fact that there is a certain level of discrimination for brands and companies arriving from developed countries. Hence, the goal of the study was set to be looking into the issue of inequality and analysing the effect through particular implications brain drain and diasporas may have on the consumers' willingness to buy.

In order to reach a clear sample that may answer questions properly, the sample was created. The characteristics of the sample is crucial in the validity of the findings presented. The size of the sample was 198 people, that were divided into two groups of 100 based on the experiments that was conducted on the. The sample had to be created based on the questions asked, and that is why the participants came only from the developed economies. That goal provided a scenario where we may look into the

perspective of people arriving from developed economies, and in that way to test the assumptions that were made on the issue.

After the sample was created, the experiment was conducted. The experiment was used in order to gather empirical data that could be applicable and may lead to managerial implications. The experiment was conducted by a survey, by posing hypothetical scenarios in 6 dimensions. The first issue of brain drain had three scenarios in which two were control groups. The countries used in the control groups are UK and a country that hasn't been named. The UK was used as an example of a developed economy, while on the other hand the unnamed country was used instead of the actual country in order to give us findings of what do people think of foreign goods, without any stereotypes. The test group has been revolving around scenarios on Serbia, that has been used as an example of a developing nation.

After the completion of the experiment, the process of data collection had begun. In order to limit the expenses of the research, the collection of the data was done manually. The data that was extracted from the research was analysed and evaluated in order to transform the inputs into useful information. This has brought us to factual results. In the later stages of the study the results were discussed and compared with initial assumptions in order to find the answer to the initial problem. Lastly, the flow of the study ends by examining the previously set hypothesis and accepting them or rejecting them depending on the reasoning taken from the discussion of the results.

4.5 Data Collection procedures

The Data Collection procedure is one of the final steps in conducting a research. After creating a clear goal and the flow of the research paper, it is essential to collect data so that the results or useful information may be transformed from raw data.

Source: Brancato, Macchia, Murgia, Signore, Simeoni, Blanke, Körner, Nimmergut, Lima, Paulino, Hoffmeyer-Zlotnik, G.B., S.M., M.M., M.S., G.S., K.B., T.K., A.N., P.L., R.P., J.H.P.H., 2005. Handbook of Recommended Practices for Questionnaire Development and Testing in the European Statistical System. 1st ed. Italy: European Commission Grant Agreement .

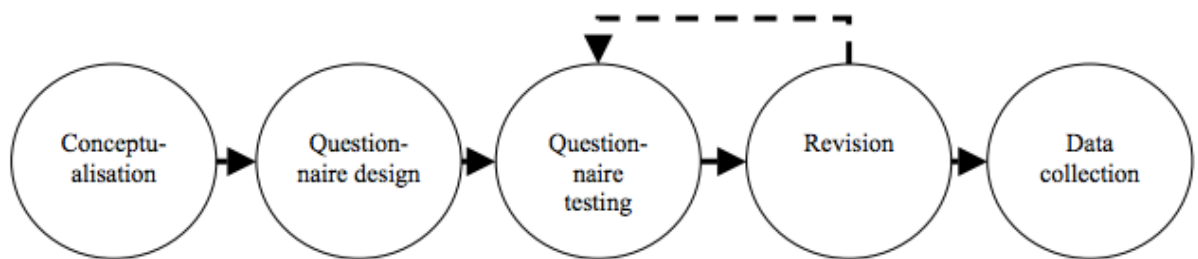


Figure 10. Research Process

The Data from the research was collected manually by the author and it has been reviewed and analyzed through the application that is being used to conduct the experiment in the first place, and that is Qualtrics.

Qualtrics is giving the researcher options in gathering data while considering the importance of the issue that is being considered. As it has been mentioned earlier, in the case of this particular study, the scenarios have been randomized so that the participants may receive random scenarios and we have a equal amount of respondents looking into the dilemma of the Developed, Developing and a country that has not been stated. The data is collected in real time, and with the help of the software, statistical information and the graphical representation can be made for the whole sample or for subgroups that we are interested in examining.

The Data collection has been conducted manually because of the sample size that has been active in the research, and as well as a method to cut costs of the research.

In order to adapt to the adopt the the changing trends the surveys was conducted in the mobile friendly system, meaning that people could conduct the survey over their smartphones or tablets.

Source: Constructed by the Author

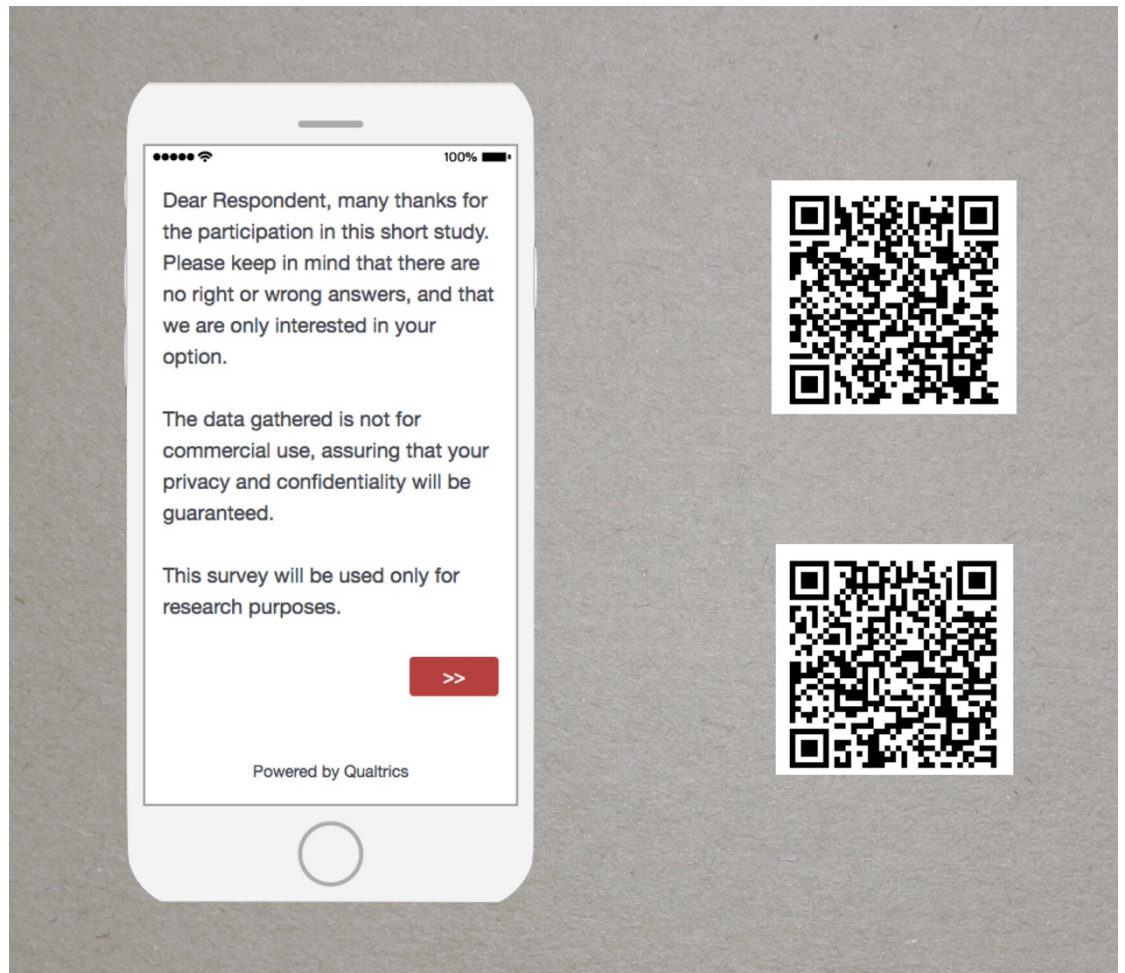


Figure 11. Mobile version and QR codes

Also, one of the methods of spreading the survey on to the sample was the QR code. That could lead directly to the survey, minimizing the rate of people dropping out of the survey.

4.6 Data Analyses: Data and reliability assessment

The Data that has been collected has been analysed by the software named Qualtrics²¹. The data that was gathered was analyzed through the software that has given us the basic statistical findings necessary for the formulation of the results.

In cases where the questions have been posed on a Likert scale, the software has created a minimal and maximum value based on the points on the evaluation scale. Logically, the lower points resemble the lower level of satisfaction. This calculation has created an opportunity for us to create elementary statistical calculations such as: Mean, Variance, Standard Deviation and the responses of the Total Sample.

In cases where the questions were posed in order to stimulate just one response the principle of measuring was dealt with by putting two additional columns that are: number of responses and their percentage base on the whole sample size.

This findings and application of such methods has eased out transformation of data and information towards useful results and graphical representations of the findings.

²¹ Accessed : Qualtrics. 2016. The World's Leading Research & Insights Platform | Qualtrics. [ONLINE] Available at: <https://www.qualtrics.com/>. [Accessed 4 May 2016].

Chapter 5. Discussion and Conclusion

5.1 Results and Discussion

5.1.1 Brain Drain on the Whole Sample

The results of the study considering brain drain came up to be really interesting. The analysis of the data is going to be divided into two main categories. First we will analyze the data taking the whole sample in consideration. That will give us the understanding of how did the participants answer the questions of all three scenarios. After that, we will dissect the findings into individual scenarios demonstrating findings on the effect that the brain drain has on the Country of Origin effect.

First questions that we will analyse are related to the dependent variable. The first question was: How willing would you be to purchase a dairy product (yogurt) that is not produced locally?

Table 11. Willingness to purchase foreign yogurt (Brain Drain)

#	Question	Not at all	Little	Less than average	A moderate amount	More than average	A lot	A great deal	Total Responses	Mean
1		6	13	15	28	26	10	1	99	3.90
Statistic										
Min Value					1					
Max Value					7					
Mean					3.90					
Variance					1.99					
Standard Deviation					1.41					
Total Responses					99					

Source: Constructed by the Author

The majority of the responders gave answers that are close to the average amount, which is demonstrated by the Mean, it being 3.9. The minimal value that is selected is 1 which means not at all, i.e. people who will not be opened to purchase yogurt produced in a foreign country, and the maximal value of 7 being the great deal on the opposite side of the spectrum.

The second question asked is how willing would responders be to buy the yogurt mentioned in the scenarios²². The situation is related to the first question. That is also represented with statistical data being very similar.

Table 12. Willingness to buy yogurt from the scenario (Brain Drain)

#	Question	Not at all	Little	Less than average	A moderate amount	More than average	A lot	A great deal	Total Responses	Mean
1		8	17	16	24	15	14	5	99	3.84
Statistic										
Min Value					1					
Max Value					7					
Mean					3.84					
Variance					2.75					
Standard Deviation					1.66					
Total Responses					99					

Source: Constructed by the Author

The third question had as its goal to examine how would responders perceive other goods arriving from that country based on their experience of the yogurt.

Table 13. Other goods from the same country (Brain Drain)

#	Question	Definitely not	No	Probably not	Might or might not	Probably yes	Yes	Definitely yes	Total Responses	Mean
1		7	11	28	16	17	14	6	99	3.92
Statistic										
Min Value					1					
Max Value					7					
Mean					3.92					
Variance					2.67					
Standard Deviation					1.63					
Total Responses					99					

Source: Constructed by the Author

The interesting fact is the people have actually examined that their initial experiment with the Country of Origin effect may have consequences on products and services from other categories in the future. The last question in the segment of the dependent variable has much importance by being the question that needs to connect

²² Scenarios as well as questions could be found in Appendix C

the colleagues, or in other words people that came to another country to work and in that way are examples of brain drain.

This question demonstrates the effects on people from developed economies on all three scenarios. The results show that people mostly responded that their colleagues might not have such a strong effect on their decision making process. How the segments are divided into groups will be the next interesting aspect of the study.

Table 14. Colleagues effect on decision making

#	Question	Not at all	Little	Less than average	A moderate amount	More than average	A lot	A great deal	Total Responses	Mean
1		12	13	23	19	23	9	0	99	3.56
Statistic										
Min Value								1		
Max Value								6		
Mean								3.56		
Variance								2.27		
Standard Deviation								1.51		
Total Responses								99		

Source: Constructed by the Author

The following questions had a goal to manipulate the questions previously posted and to examine the general opinions of the sample on their surroundings and their buying behaviour. The first question that followed was: How important is the Country of Origin to you? The result was surprising, although literature has proved the existence of the Country of Origin, demonstrated data shows very high importance to the Country of Origin effect with the Mean variable being 4.9. The first two scale points (Not at all Importance and Low importance) were not selected by any of the 99 responders, showing us that the phenomenon of the Country of Origin plays an important role on the markets of developed economies.

The following question that wanted to see how multinational is the background of the sample, was almost exactly even by the Mean of the responses being 3.99. The perception whether the surrounding is multinational or not, may have great implication on the decision making process of the consumer.

After examining the habits of responders, they demonstrated that the majority of responders changes their brands sometimes. Making an opening for new players on the market, meanwhile when asked how often would they buy the yogurt in question if they had a positive experience the responses were mixed, which is logical considering that we are talking about the whole sample. The two main factors that may influence domestic consumers to buy foreign goods has been shown to be the Price with 39% and their own Curiosity to try something new with 25%. A Variable that was selected besides the recommended ones (besides Curiosity and the Price, Quality 18% and Packaging 15%) was Health with 2%. When being asked how often would they purchase that yogurt in respect to the local one, the responses were neutral, ranging mostly from the third until the fifth scale.

Lastly, when asked what is the main reason which could make them change their mind and experiment with another brand, a majority of responders selected the Recommendation with 53%, which is contrary to their perception on how much influence their colleagues might have on them. Besides that, responders also have selected Traditional Media with 12%, Social Media with 13% and their Curiosity with 22%.

5.1.2 Brain Drain on the Scenario of Serbia

The following results are taken from the research of the effect that Brain Drain has on the Willingness to Buy of a product originating from Serbia, as an example of a country under development.

Table 15. Results of the effect of Brain Drain on goods coming from Serbia

Question Number	Question	Mean	Variance	Standard Deviation
Dependent Variable				
1	How willing would you be to purchase a dairy product (yogurt) that is not produced locally?	2.727272727	1.954545455	1.398050591
2	How Willing would you be to Purchase that yogurt?	2.181818182	1.153409091	1.07396885

3	Do you think that your attitude towards that product, can influence your Willingness to Purchase of another product from that country?	2.727272727	2.079545455	1.442062916
4	How much influence would your colleagues have on your decision making process while buying yogurt?	2.151515152	1.445075758	1.202113039
Manipulation				
5	How important is the Country of Origin to you?	4.212121212	1.797348485	1.340652261
6	In your opinion is your surrounding multinational?	2.909090909	0.835227273	0.913907694
7	When you generally purchase goods, do you change brands often?	3	1.3125	1.145643924
8	If you were to buy a yogurt that is not produced locally, how high would your expectations be?	2.727272727	2.017045455	1.420227255
9	From the scenario what would be the primary influence for your purchase of the new yogurt?	66,67% Price; 3,03% Quality; 12,12% Curiosity; Packaging 18,18%; Other 0%		
10	If you liked the yogurt, how frequent would you purchase it in respect to the local one?	3	0.875	0.935414347
11	What could make you change your typical brand?	Traditional Media 9,09%; Social Media 18,18%; Recommendation 39,39%; Curiosity 33,33%; Other 0%		

Source: Constructed by the Author

The results indicate that the participants have a certain level of discrimination towards goods coming from Serbia. This is indicated through the fact that all of the questions have received lower scores in respect to the whole sample.

The good (yogurt) that is coming from Serbia is perceived to be economical, meaning that it is low in price and the way consumers may be persuaded to purchase goods arriving from Serbia is by Recommendation with a percentage of 39.39.

5.1.3 Brain Drain on the Scenario of the UK

The results that are demonstrated below are representations of the empirical research conducted in order to analyze which level of Country of Origin effect is present of goods arriving from the United Kingdom.

Table 16. Results of the effect of Brain Drain on goods coming from the UK

Question Number	Question	Mean	Variance	Standard Deviation
Dependent Variable				
1	How willing would you be to purchase a dairy product (yogurt) that is not produced locally?	4.96969697	1.21780303	1.103541132
2	How Willing would you be to Purchase that yogurt?	5.363636364	1.488636364	1.220096866
3	Do you think that your attitude towards that product, can influence your Willingness to Purchase of another product from that country?	5.151515152	2.257575758	1.50252313
4	How much influence would your colleagues have on your decision making process while buying yogurt?	4.757575758	1.251893939	1.118880664
Manipulation				
5	How important is the Country of Origin to you?	5.666666667	0.666666667	0.816496581
6	In your opinion is your surrounding multinational?	4.818181818	1.840909091	1.356801051
7	When you generally purchase goods, do you change brands often?	5.03030303	1.59280303	1.262063006
8	If you were to buy a yogurt that is not produced locally, how high would your expectations be?	5.090909091	1.397727273	1.182255164
9	From the scenario what would be the primary influence for your purchase of the new yogurt?	24.24 % Price; 33.33% Quality; 30.30% Curiosity; Packaging 12.12%; Other 0%		

10	If you liked the yogurt, how frequent would you purchase it in respect to the local one?	4.939393939	1.683712121	1.297579331
11	What could make you change your typical brand?	Traditional Media 9.09%; Social Media 18.18%; Recommendation 57.58%; Curiosity 15.15%; Other 0%		

Source: Constructed by the Author

The results indicate that the participants have extremely high expectations of goods coming from a country that is considered to be very developed, in this case the UK. These findings are demonstrated through the scalar scores that indicate that this part of the sample is more willing to try and continuously purchase goods from the UK. Also, it is shown that colleagues have a significantly higher influence on people in respect to the case when the whole sample was examined, and even more in respect to the scenario of Serbia as a representation of a country in development.

The product that has originated in the UK interests consumers in different ways in respect to products arriving from Serbia. The important facts that grab attention of the participants are: Quality with 33.33% and Curiosity with 30.30%.

5.1.4 Brain Drain on the Scenario of the Unnamed Foreign Country

The following results are taken from a control group that has conducted the survey in order to demonstrate the differences between the developed and developing countries, as well as the scenario when the name of the country is left out.

Table 17. Results of the effect of Brain Drain on goods coming from a country, when the name is left out

Question Number	Question	Mean	Variance	Standard Deviation
Dependent Variable				
1	How willing would you be to purchase a dairy product (yogurt) that is not produced locally?	4.395522335	0.3125	0.559016994
2	How Willing would you be to Purchase that yogurt?	4.58075898	0.53030303	0.728219081

3	Do you think that your attitude towards that product, can influence your Willingness to Purchase of another product from that country?	4.447994406	0.797348485	0.892943719
4	How much influence would your colleagues have on your decision making process while buying yogurt?	4.175773194	0.689393939	0.830297501
Manipulation				
5	How important is the Country of Origin to you?	5.118113477	0.653409091	0.808337238
6	In your opinion is your surrounding multinational?	4.449505681	0.751893939	0.867118181
7	When you generally purchase goods, do you change brands often?	4.549060421	0.814393939	0.902437776
8	If you were to buy a yogurt that is not produced locally, how high would your expectations be?	4.589433211	0.954545455	0.977008421
9	From the scenario what would be the primary influence for your purchase of the new yogurt?	29.03% Price; 19.35% Quality; 35.48% Curiosity; Packaging 16.13%; Other 6.45%		
10	If you liked the yogurt, how frequent would you purchase it in respect to the local one?	4.419140368	0.683712121	0.826868866
11	What could make you change your typical brand?	Traditional Media 18.18%; Social Media 3.03%; Recommendation 60.61%; Curiosity 18.18%; Other 0%		

Source: Constructed by the Author

In the scenario when the name of the Country of Origin is left out, the results are somewhere in the middle when compared to the whole sample, but still lower than the results coming from the example of the UK. The fact is that the Country of Origin is important to the consumers coming from the economies that are considered to be developed. Now we can see that the results of Serbia have lowered the scores visible in the whole sample, but we will continue to discuss the results in the following chapter 5.1.5.

When the goods are communicated to be arriving from the international environment the participants are more interested in the Traditional Media messages and their own Curiosity with the same percentage of 18.18%. The most important element is still Recommendation when it comes to the possible reasons to purchase foreign goods, and the elements that are considered are mostly Quality with 35.48% and Price with 29.03%.

5.1.5 Discussion on the Brain Drain Results

In the comparison and the discussion of samples, the preliminary statistic method used is the mean, in order to understand the overall attitude the responders had based on the scenario. With that in mind we can argue that an experiment has shown interesting results.

Table 18. Final Results of the effect that Brain Drain has provided

Question	Aspect	Mean			
		Whole Sample	Serbia	UK	No name
1		3.9	2.727272727	4.96969697	4.395522335
2		3.84	2.181818182	5.363636364	4.58075898
3		3.92	2.727272727	5.151515152	4.447994406
4		3.56	2.151515152	4.757575758	4.175773194
5		4.9	4.212121212	5.666666667	5.118113477
6		3.99	2.909090909	4.818181818	4.449505681
7		4.09	3	5.03030303	4.549060421
8		4.03	2.727272727	5.090909091	4.589433211
10		4	3	4.939393939	4.419140368
9	Price	39%	66.67%	24.24%	29.03%
	Quality	18%	3.03%	33.33%	19.35%
	Curiosity	25%	12.12%	30.30%	35.48%
	Packaging	15%	18.18%	12.12%	16.13%
	Other	2%			6.45%
11	Traditional Media	12%	9.09%	9.09%	18.18%
	Social Media	13%	18.18%	18.18%	3.03%

Recommendation	53%	39.39%	57.58%	60.61%
Curiosity	22%	33.33%	15.15%	18.18%
Other	0%			

Source: Constructed by the Author

In the first question, when participants were asked whether they are opened to buy a yogurt that is not produced locally, the results indicated that the scenario of goods coming from Serbia had a negative effect even before the actual question. This can be examined through the lowest score received on the question that should be more or less general.

The next question, which wanted to examine how much would participants be opened to buy the yogurt mentioned in the scenario, the difference became even more evident. Consumers have a high, even hypothetical, bias towards goods arriving from Serbia. The scale of seven that was used ranged from Not at All to A Great Deal. The score of Serbia is much lower than the score of the scenario when the country has been left out, and even lower than the results of the UK that has received a remarkable 5.36 average from a maximum of 7.

The question that followed had an obligation to test if the experience they had with that product may drive their Country of Origin perception towards other goods. The situation is identical to the second question with Serbia being ranked the lowest.

The most important segment is to analyze how much influence would hypothetical colleagues have on the decision making process of the sample. This demonstrates the strong Added value that brands and organization from developed countries have. The influence of Serbian workers is considered to be not important in contrast to the people arriving from the UK. While considering the scale where the maximum is Definitely Yes and the minimum is Definitely Not, while asking how much influence could the Brain Drain effect have, participants answered with shocking 2.15 in the case of Serbia which is in the domain of No, while the scenario where the country is left out, the score is 4.41 which drives more towards the middle of the scale, and

lastly the UK employees have effected greatly the potential responders with 4.93 which is giving us the result that the sample is Probably going to be influenced by their coworker.

Interestingly, the following questions have showed that people to whom the Country of Origin effect has greater importance have answered the scenarios of the UK and the scenario when the country is not named. This fact proves the presence of the effect, when driving the perception of the consumer solely on the locational origin of the good and their prior experiences with that country or a region. In line with that, the same conclusion can be made for the responders that consider their surroundings to be more international than the rest. The level of multinationality in their home countries is directly linked to the Country of Origin effect, and the way that consumers perceive goods and services from different regions. This has resulted that the scores of UK are significantly higher than in the case of Serbia. The same logic could be followed by understanding the fact that while living in a multinational environment, a person is opened to new experiences and opportunities. In that way the consumers have a chance to build certain stereotypes and experiment with foreign goods. This is also shown through the higher score received in the question that has a job to deal with how often do consumers change their brand, bringing it all together in the same scenario.

The expectation of such sample is also a remarkable aspect of the research. The primary difference is that the expectation of the good is extremely high for the one that is coming from a developed country. Consumers think that purchasing those goods brings them additional value in respect to the country in development. But this issue could be looked through another way if expectations are set very low, for goods from developing countries it will be easier to prove their quality and taste.

As far as how the goods would be perceived, the logical expectation is the fact that goods that are arriving from developing countries should have a competitive price, and in that mind grab the attention of the consumer, while the situation in other two cases is more scattered in the segments of curiosity, price and quality. Lastly, the unique common aspect of the research is the medium that is considered to be the best in all

three scenarios and that is recommendation. This triggers a question of why did the responders rate Serbian goods so low, and the importance of its citizens, when the main contributor to them trying foreign goods is by the words of mouth. It may be argued that basic stereotypes may drive people to consider recommendation and helpful information differently based on the geographical origin of the person in question.

To take the results of Brain Drain effect into perspective we will take a look back into the hypothesis that were developed in the Chapter 3.

H0.2: The phenomenon of Brain Drain with employees coming from Serbia gave better results in respect to the scenario where no country is named.

The results show a negative influence that Serbian workers abroad may have on the consumer behaviour of the population living and working on the territory of developed economies. Results of the scenario where participants had a storyline where the name of the country has been left out indicate that communicating the Country of Origin while arriving from developing or underdeveloped country may have negative effects. That is why we have to reject the hypothesis of being false.

H2: The Brain Drain is positively influencing the Country of Origin effect of people located in developed countries of the organizations and brands from developing countries.

As stated earlier, the effect of the Brain Drain is negative. This is demonstrated through both control groups receiving better rankings than the good arriving from Serbia. These effect lead to the rejection of the hypothesis as a legitimate outcome.

5.1.6 Diaspora on the Whole Sample

Similar to the scenario of Brain Drain, the phenomenon of diaspora will be divided into two main sections, the first being the overall sample to gain access to the average answers of all three scenarios, and the second section will consider individual

scenarios and their implications on the Diaspora effect. Its connection with the Country of Origin effect is out of most importance to the indication of that is important in the study, and also to the hypothesis set and the findings.

As before, we will primarily consider the questions related to the dependent variable. The first question was: How willing would you be to purchase a dairy product (yogurt) that is not produced locally?

Table 19. Willingness to purchase foreign yogurt (Diaspora)

#	Question	Not at all	Little	Less than average	A moderate amount	More than average	A lot	A great deal	Total Responses	Mean
1		1	8	14	34	28	13	1	99	4.24
Statistic										
Min Value					1					
Max Value					7					
Mean					4.24					
Variance					1.41					
Standard Deviation					1.19					
Total Responses					99					

Source: Constructed by the Author

By now it is not a surprise that 72 out of 99 participants are located in the very middle of the scale, by considering the Likert scale points (Less than Average, A moderate amount and More than Average). The mean of the whole sample is 4.24 out of possible 7 points. The Minimal value same as in the prior case is 1 indicating the Not at All or the lowest ranked aspect on the scale. On the other hand, the maximum value is 7 by taking into consideration the responses rated as a Great Deal.

The combination of three samples is bringing us to the middle of the scale once again. Much like in the example of Brain drain and the first question of the survey, the second question that is tackling the question whether the potential consumer would be willing to buy a yogurt mentioned in one of the three scenarios.

Table 20. Willingness to buy yogurt from the scenario (Diaspora)

#	Question	Not at all	Little	Less than average	A moderate amount	More than average	A lot	A great deal	Total Responses	Mean
1		2	11	21	26	29	8	2	99	4.02
Statistic										
Min Value					1					
Max Value					7					
Mean					4.02					
Variance					1.65					
Standard Deviation					1.29					
Total Responses					99					

Source: Constructed by the Author

The question that followed may bring us to preliminary assumptions that the good purchased may have an effect on the consumers future decision making on goods coming from that country or a region. As it can be seen in the table, the majority of the sample answered that it would have a certain level of effect on their perception and actions.

Table 21. Other goods from the same country (Diaspora)

#	Question	Definitely not	No	Probably not	Might or might not	Probably yes	Yes	Definitely yes	Total Responses	Mean
1		1	6	16	28	32	9	7	99	4.40
Statistic										
Min Value					1					
Max Value					7					
Mean					4.40					
Variance					1.67					
Standard Deviation					1.29					
Total Responses					99					

Source: Constructed by the Author

The forth question had a goal to prove whether the Diaspora is affecting the decision making process of the hypothetical consumers answering the survey. As before, the results are situated in the middle of the scale, and in the next segments of the research we will examine the differences that appear when we consider different scenarios.

Table 22. The effect of the Diaspora on decision making

#	Question	Not at all	Little	Less than average	A moderate amount	More than average	A lot	A great deal	Total Responses	Mean
1		3	7	22	33	26	7	1	99	3.98
Statistic										
Min Value					1					
Max Value					7					
Mean					3.98					
Variance					1.43					
Standard Deviation					1.20					
Total Responses					99					

Source: Constructed by the Author

After examining the questions related to the depended variable now we will look into the responses of the manipulation questions that followed. When asked how important is the Country of Origin to the participant, 47% answered that the Country of Origin is moderately important to them when buying a product. The interesting element is that there wasn't a single response stating that the Country of Origin is not important at all, bringing us to the conclusion that participants of the second sample also portrait the Country of Origin effect as a important element is their purchasing.

When asked if their surrounding is multinational, the majority of people answered by selecting the values in the middle of the scale. Probably not, Probably yes and Might or Might not together got 82% out of all responders.

The interesting aspect is that the second sample was slightly more open to change brands and try something new. This can be proven with 43% of the sample who has selected a scale of Sometimes, indicating that in their everyday life they like to experiment with different brands and flavours. Another interesting element of the research is that the responses on the perception of the hypothetical consumers were scattered while considering the primary factor that may influence them to buy the yogurt in the first place. The majority of responders has selected Quality with 31%, after that Price with 27%, Curiosity with 23% and Packaging with 18%. The last question indicated that the primary factor that my drive consumers to try foreign goods are: Recommendations with 42% and their Curiosity with 30% of the whole sample two.

5.1.7 Diaspora on the Scenario of Serbia

The results presented below represent the outcome of the research conducted on the topic of which effect does Diaspora have on the Country of Origin effect, through a considerable impact on the decision making process of the consumer.

Table 23. Results of the Diaspora effect on goods coming from Serbia

Question Number	Question	Mean	Variance	Standard Deviation
Dependent Variable				
1	How willing would you be to purchase a dairy product (yogurt) that is not produced locally?	3.515151515	1.382575758	1.175829817
2	How Willing would you be to Purchase that yogurt?	3.121212121	1.297348485	1.139012065
3	Do you think that your attitude towards that product, can influence your Willingness to Purchase of another product from that country?	3.909090909	1.647727273	1.283638295
4	How much influence would Diasporas have on your decision making process while buying yogurt?	3.303030303	1.21780303	1.103541132
Manipulation				
5	How important is the Country of Origin to you?	4.757575758	1.189393939	1.090593389
6	In your opinion is your surrounding multinational?	4.212121212	1.047348485	1.023400452
7	When you generally purchase goods, do you change brands often?	4.393939394	0.933712121	0.966287805
8	If you were to buy a yogurt that is not produced locally, how high would your expectations be?	4.424242424	1.064393939	1.031694693
9	From the scenario what would be the primary influence for your purchase of the new yogurt?	Price 42.42%; Quality 15.15%; Curiosity 12.12%; Packaging 30.30%; Other 0%		

10	If you liked the yogurt, how frequent would you purchase it in respect to the local one?	4.454545455	1.005681818	1.00
11	What could make you change your typical brand?	Traditional Media 21.21%; Social Media 12.12%; Recommendation 33.33%; Curiosity 33.33%; Other 0%		

Source: Constructed by the Author

Similarly, to the case when we were discussing the effects of Diaspora the results follow a certain pattern, that is a certain level of bias towards goods coming from a developing countries, in this case from Serbia. This is demonstrated through significantly lower scores than the score of the whole sample. This demonstrates that consumers create an opinion even prior to tasting or buying a product.

The goods arriving from a developing economy are considered to be of lower quality and the basic expectation of the consumer is for it to be attractive by price. This is proven by 42.42% of the sample portraying the goods as such. Furthermore, the way in which the goods could be positioned to the new audience is equality through Recommendation and Curiosity with 33.33% of the sample that had conducted a survey with the scenario of Serbia.

5.1.8 Diaspora on the Scenario of the UK

The findings shown below in the table represent the results of empirical research to find information on what is the level of the Country of Origin effect that is influenced by the Diaspora of a developed nation, which in this case is the United Kingdom.

Table 24. Results of the Diaspora effect on goods coming from the UK

Question Number	Question	Mean	Variance	Standard Deviation
Dependent Variable				
1	How willing would you be to purchase a dairy product (yogurt) that is not produced locally?	5.060606061	1.183712121	1.08798535
2	How Willing would you be to Purchase that yogurt?	4.939393939	1.308712121	1.143989563

3	Do you think that your attitude towards that product, can influence your Willingness to Purchase of another product from that country?	5.151515152	1.570075758	1.253026639
4	How much influence would Diasporas have on your decision making process while buying yogurt?	4.575757576	1.439393939	1.199747448
Manipulation				
5	How important is the Country of Origin to you?	5.090909091	1.397727273	1.182255164
6	In your opinion is your surrounding multinational?	4.454545455	1.318181818	1.148120995
7	When you generally purchase goods, do you change brands often?	4.242424242	0.876893939	0.936426153
8	If you were to buy a yogurt that is not produced locally, how high would your expectations be?	4.787878788	1.797348485	1.340652261
9	From the scenario what would be the primary influence for your purchase of the new yogurt?	Price 12.12%; Quality 48.48%; Curiosity 30.30%; Packaging 9.09%; Other 0%		
10	If you liked the yogurt, how frequent would you purchase it in respect to the local one?	4.878787879	1.297348485	1.139012065
11	What could make you change your typical brand?	Traditional Media 9.09%; Social Media 12.12%; Recommendation 45.45%; Curiosity 33.33%; Other 0%		

Source: Constructed by the Author

In line with the great development of a nation come traditionally greater expectations and attitudes towards goods coming from that specific nation. In this case this is demonstrated through results. The results demonstrated above are significantly higher than all other results that we could compare it to. The scores relevant to the dependent variable, indicate that the yogurt from UK would be purchased by a higher number of people living and working on the territories of developed economies. Furthermore, the Diaspora of the UK will have significantly higher influence on the decision making process of their peers.

The bottom line is that engaging your Country of Origin while arriving from the UK has positive effects on the consumers. The goods are looked at as prestigious and of high quality. When asked what is the main component of the good a remarkable percentage of 48.48 answered the Quality. Inline with that remark the positioning might be done through Recommendation by 45.45% and the Curiosity of the consumer by 33.33%.

5.1.9 Diaspora on the Scenario of the Unnamed Foreign Country

The results were gathered from the sample of the survey that has conducted the experiment with the scenario in which the Country of Origin was left out, making it foreign but not specific.

Table 25. Results of the effect of Diaspora on goods coming from a country, when the name is left out

Question Number	Question	Mean	Variance	Standard Deviation
Dependent Variable				
1	How willing would you be to purchase a dairy product (yogurt) that is not produced locally?	4.151515152	0.507575758	0.712443512
2	How Willing would you be to Purchase that yogurt?	4	0.75	0.866025404
3	Do you think that your attitude towards that product, can influence your Willingness to Purchase of another product from that country?	4.151515152	1.007575758	1.003780732
4	How much influence would Diasporas have on your decision making process while buying yogurt?	4.060606061	0.871212121	0.933387444
Manipulation				
5	How important is the Country of Origin to you?	4.757575758	1.189393939	1.090593389
6	In your opinion is your surrounding multinational?	4.212121212	1.047348485	1.023400452

7	When you generally purchase goods, do you change brands often?	4.393939394	0.933712121	0.966287805
8	If you were to buy a yogurt that is not produced locally, how high would your expectations be?	4.424242424	1.064393939	1.031694693
9	From the scenario what would be the primary influence for your purchase of the new yogurt?	Price 27.27%; Quality 30.30%; Curiosity 27.27%; Packaging 15.15%; Other 0%		
10	If you liked the yogurt, how frequent would you purchase it in respect to the local one?	4.454545455	1.005681818	1.002836885
11	What could make you change your typical brand?	Traditional Media 15.15%; Social Media 12.12%; Recommendation 48.48%; Curiosity 24.24%; Other 0%		

Source: Constructed by the Author

Results clearly show that while communicating the message of a foreign brand it is not wise to use a name of a developing nation, at least in certain product categories. The results indicate that the bargaining position of an organization may change extraordinarily depending on the country they represent. The scenario when the country is left out has been made as a base scenario, as in all means it has been proven to be that. It is located perfectly in the middle between the ones that considered Serbia and the UK. The power and influence of Diaspora is debatable because the respondent didn't know how to process the message of a foreign diaspora.

This has been present in the way the questions have been answered, by making them more scattered. The perception of products in the third scenario are Quality 30.30%, Price 27.27%, Curiosity 27.27% and Packaging with 15.15%, making the results a bit more different from the rest of the sample. The incredible fact is that even though the country has been left out, the main element that may effect consumers to switch is the word of mouth with incredible 48.48%.

5.1.10 Discussion on the Diaspora Results

Table 26. Final Results that the Diaspora effect has provided

Question	Aspect	Mean			
		Whole Sample	Serbia	UK	No name
1		4.24	3.515151515	5.060606061	4.151515152
2		4.02	3.121212121	4.939393939	4
3		4.4	3.909090909	5.151515152	4.151515152
4		3.98	3.303030303	4.575757576	4.060606061
5		4.76	4.757575758	5.090909091	4.757575758
6		4.11	4.212121212	4.454545455	4.212121212
7		4.11	4.393939394	4.242424242	4.393939394
8		4.28	4.424242424	4.787878788	4.424242424
10		4.56	4.454545455	4.878787879	4.454545455
9	Price	27%	42.42%	12.12%	27.27%
	Quality	31%	15.15%	48.48%	30.30%
	Curiosity	23%	12.12%	30.30%	27.27%
	Packaging	18%	30.30%	9.09%	15.15%
	Other	0%			
11	Traditional Media	15%	21.21%	9.09%	15.15%
	Social Media	12%	12.12%	12.12%	12.12%
	Recommendation	42%	33.33%	45.45%	48.48%
	Curiosity	30%	33.33%	33.33%	24.24%
	Other	0%			

Source: Constructed by the Author

By measuring the answers of the questions on the seven point Likert scale, the results that came up from the research were expected with a dose of healthy skepticism, but the difference presented is high in every regard. This may present to us the real implication of the literature, that the Country of Origin effect is a competitive advantage for organizations arriving from developed economies. That point of view holds also in the case of this research. Although we can examine changes and implications of developing nations, it is necessary to understand the results that our

empirical findings have shown us. It is remarkable that even in the case of social and ethnic groups, sample of the survey answered in such a trend that underlined the importance and quality of goods arriving from Western Europe in respect to the territory of the South East Europe. Although the scenarios were the same, differences in scores (except the name of the country) trigger a need for deeper psychological research of human and consumer behaviour.

The surprising fact is that the four questions related to the dependant variable (Willingness to Purchase) displayed a significantly higher difference in results in respect to manipulation questions. In the second part of this chapter, we will look into the specific questions and point out the conclusions that can be drawn from the data.

When being asked whether they would be opened to purchase a yogurt that was not produced locally, the survey sample had created a certain level of stereotype, considering the scenario they have read about Serbia. The scale went from 1 being Not at all to 7 Which is A great deal. After considering the hypothetical scenario, even before question 2 where we have directly asked for their intention to buy that specific yogurt, the sample has demonstrated high level of bias towards goods from Serbia in respect to the remaining two scenarios. While considering that the score of Serbia was 3.5 on average, and the results of the sample that rated the goods from UK was 5.06, it brings us to the understanding that the difference between the two is 1.56 scale points.

Source: Constructed by the Author



Figure 12. Difference in scores of Serbia and the UK

The logical sequel to the original question, had a goal to define the customer's orientation towards a specific brand of yogurt originating from a different country depending on the scenario. The results that followed were similar to the developments in question 1, with significant differences present in the results. The whole sample, all

three scenarios combined, reached a result of 4.02 which is defined as a moderate amount, but Serbia gained only 3.12 which is in the domain of less than average, while the scenario where the name of the country has been left out is 4. The score that is more than average was received by the yogurt coming from the UK expanding the influence that the Country of Origin effect can make.

The third question that came up in this scenario was a bit controversial because the results indicate that although the Country of Origin played a part of building the confidence and the perception of the consumer, the results show that the future decision making processes would be rated highly based on that individual product from the food and beverage industry. In other words, people will judge products that they will buy from a specific country based on their initial experience with merchandise from that region. This has been proven to be true, especially for the goods from developed countries. The discussion of these results may tell us that consumers are constantly demanding better products of greater quality for less money, and that the choices they may encounter in their everyday life may ease their decision making by enabling them an option of additional number of substitutes. In the scenario where the product is satisfactory the consumer will continue to buy it, but when that is not the case, the goods from that country would be neglected in respect to the competition. This logic could be underlined with questions 8 and 10. The first of the two, investigated how high would the expectations be set when making a decision on which product to buy. Logically with greater expectations, comes a greater challenge to satisfy them. The yogurt of Serbia received the lowest score of the three which is understandable considering the prior results and the logic behind the decision making process of the sample, but the scores of the UK and the identified country are a lot closer together than in prior questions with 4.78 for the UK and 4.42 for the identified country. But, when asked how frequent would they buy the product if they liked it the results were interesting. Although, Serbia received the lowest score in most of the survey, now more than ever the scores became closer. We can argue that being preliminary judged as bad or setting lower expectation, has made the frequency level to rise if the customer proves that the good is satisfactory. The score that Serbia received was 4.33 and UK 4.87. The difference is still there, but we can discuss that the consumer is a logical being judging

their future behavior based on the best possible solution presented. That is how, we can argue that the Country of Origin effect is lower when the expectations for the foreign goods are low, but they prove to be satisfactory. This brings us to the implication of such action and how managers can take advantage of this in their actions. Following the understanding that the taste is the preliminary factor making the difference in the mind of the consumer, the marketing managers can adjust their campaign to be more oriented on testings and demonstrations.

The following question tackled the main issue of the thesis. The goal of the question was to identify the level of influence a foreign diaspora can have on the decision making process inside the borders of a host country. The goal of three researches is to identify how much and how exactly do foreign Diasporas and workers characterized as a Brain Drain of their home country influence the consumers of a developed economy. Results indicated that the foreigners do influence the thinking of other in the moderate amount. The score of the country that is not named is 4.06 which is higher than the result of Serbia of 3.30 but lower than the score of the UK with 4.47. Only influence that was considered to be more than average was of a British diaspora, bringing us to a conclusion that the diaspora of a foreign country has more relevance on the decision making of a consumer inside his or her own country based on the development of the country the diaspora is coming from.

The following three questions were used as a manipulation, to check the answers of the participants. The first of three was of high significance, and it was “How important is the Country of Origin to you?” The sample has shown that the Country of Origin is important to them as a variable of rating goods by some components. The Score of the UK sample and the sample of the scenario where the country was not named reached the domain of moderate importance with 5.09 for the UK and 4.76 for the identified country. Serbia received 4.42 which is neutral. The sample of both experiments, in total 198 people, consider the Country of Origin to be an important component of a product or an organization. The following question had a goal to examine what was the link between the level of multinationality of their home country and to identify the impact it had on the answers. The logic developed in the first

experiment still holds, meaning that people considered themselves to be living in a moderately multinational surroundings, consider the Country of Origin to be of less importance than the part of the sample that came from multinational environments. The base logic is that with experiencing foreign people and cultures, it is possible to make additional stereotypes and by that, highly diversify goods based on the country they were made in. Lastly, the scores evened out in all three scenarios when being asked whether and how often do they change brands while shopping. All of the sample can be listed in the domain of neutral. That means that consumers in developed economies from time to time change their brands, but still think that they have found the best possible fit for their investment.

Considering the way the firms may position themselves on the market the, majority of the sample answered that it is the word of mouth, bringing some dose of importance to the Diaspora of one nation. The percentages were similar in all three cases indicating the next to the curiosity of the consumer the predominant factor that may influence their decision making the actual recommendation. On the other hand, when being asked of the components they perceive to be dominant, the Serbian yogurt was characterized by the majority as cheap, or in other words attractive by price. The products from the UK have had a large number of the sample look at them as of high quality, and much like before, the case when the country has not been named had its results scattered in three categories, them being: Price, Quality and Curiosity.

To finalize the research, we have to consider the remaining hypothesis from the Chapter 3.

H0.1: The phenomenon of Serbian Diaspora gave better results in respect to the scenario where no country is named.

The results show that the Country of Origin is important in the decision making process of the consumers on the territory of developed economies. Unfortunately, the scores of Serbia were inferior and have been proven to be lower in influence. Concluding that the product being promoted by a diaspora of a country that has not been

named had more influence on the perception of the population than the Serbian diaspora.

H0: The scenario of Serbia demonstrated in the research has a positive effect on the perception of the Country of Origin effect for that sample, in respect to participants who have conducted the experiment without a country being named.

The zero hypothesis of considering the social and economical influences of citizens of Serbia has been proven to be negative. Because of that we have to reject the zero hypothesis, considering that on both examples of Brain Drain and Diaspora, the results of Serbia have been significantly lower than in the case of the scenario when the country has not been named.

H1: The diaspora effect is positively influencing the Country of Origin perception of goods and services from developing countries internationally.

Concluding from the results of the research, the Diaspora effect is not positively influencing the development of Serbian organizations and brands on markets of developed economies. That is why we have to reject the given hypothesis, by understanding the findings of the research.

5.2 Overview of thesis

The first chapter that was covered in the paper was the Introduction. In the beginning of the chapter we have analyzed the background of the study and the actual reasoning behind the research field and topic. After that we have stated that there is a discrimination for goods imported from developing countries that is significantly influencing the development of smaller economies and firms coming from those regions as a direct consequence. Later on, the problem was researched in order to grasp full comprehension on the magnitude of the issue. While considering the implications of globalization, it is mandatory for organizations to grow and expand internationally so that managers, business analysts and scholars may investigate the problem. The main principle to measure such problems is the Country of Origin Effect that is one of the main marketing research fields. The effects of the Country of Origin were analyzed in the study through the implications of factors, such as Brain Drain and Diaspora and how do they impact statements of the study. After discussing the potential outcome, the research question was set, it being: Whether the Country of Origin effect is a barrier to nations under development to expand their brands and organizations on the increasingly important global market? Leaning towards the end of the chapter, the Purpose and Significance of the study were presented. They are mostly related to the initiative to commence a wave of research papers based on the topic in order to fully understand the principle, so that future implications may be adjusted. Furthermore, its main goal is to prepare and inform people of the Country of Origin Effect and how it can impact the organization. Lastly, we have discussed the methodology behind the paper and how it may evolve and change in the future. The Methodology is designed in order to reach hypothetical answers that may set us on a clear path of discovery, and can bring us strong empirical evidence of factors impacting the global business environment.

The second chapter of the paper is the Literature Review. In the beginning of the chapter we have introduced key elements of the theoretical findings essential for the research. After the background of the literature, we have introduced the first principle that is building new rules and regulations would wide, that being the effects of globalization. Globalization is the shift towards a more integrated market, and has

greatly impacted our need for integration and has completely changed out lifestyles. In that sense, the basic principles of how organizations function and world has changed accordingly. The next topic that was covered is closely related to globalization and it is Global Brands. In the era where we are bombarded with commercials of brands that we recognize very well without ever experiencing them. The Global Brands have found a way to excel in the complicated global environment and are the driving force of the economy. The principle that was investigated in-depth is the Country of Origin that is the main topic of the paper. The section of the Country of Origin is divided into General assumptions of the Country of Origin, the elements that are making Country of Origin possible and its implications. The conclusion is that the Country of Origin effect is a complicated issue related to many industries and sectors. In order to clearly define the perception of another nation it is crucial to work on various fields at once, them being politics, economics, social and ethical reforms and psychology. Lastly, we introduced the phenomenon of migration that plays a crucial roll in the development of the world order. Inside the sub-chapter of migration, we have analyzed two main factors that have been examined in the study, them being the Brain drain and Diaspora effect. Brain Drain has significantly changed its definition, and through various interviews of professionals working in the governmental sectors, there is a conclusion that the issue will only continue to expand and cause new researchers to conduct studies that may bring us new findings. The explanation of the Brain Drain is the absence of an individual that costs the state significant resources in order to find better life conditions in another country or a region directly contributing to the foreign economy. The Diaspora effect is also interesting in its core, by struggling with ethnical and social issues. Diaspora is an ethnical group of one country present outside the borders of another. These aspects had to be examined in order to reach a theoretical understanding of the complexity study has faced.

The next chapter that has been covered in the thesis is the Hypothesis Development. In this chapter we have examined basic assumptions and transformed them into statements that in a way became the most important elements of the paper. The goal of the research is to test and manipulate those phrases. The main hypothesis of the paper are:

- H0: The scenarios demonstrated in the research have a positive effect on the perception of the Country of Origin effect for that sample, in respect to participants who have conducted the experiment without scenarios.

The zero hypothesis has a goal to explain the relation between two control groups. The responses of the participants were manipulated through certain factors. In case of this study, one of the factors is the country where the goods were produced.

- H0.1: The phenomenon of Diaspora gave better results in respect to the basic scenario.
- H0.2: The phenomenon of Brain Drain gave better results in respect to the basic scenario.

The division of the zero hypothesis was made to examine how did such data manipulation affect the Brain Drain and Diaspora independently.

- H1: The diaspora effect is positively influencing the Country of Origin perception of goods and services from developing countries internationally.

The first hypothesis has a goal to examine the implication of the diaspora effect on the Country of Origin effect.

- H2: The Brain Drain is positively influencing the Country of Origin effect on people located in developed countries of the organizations and brands from developing countries.

The second hypothesis has a similar goal as the first one but just on a variable of Brain Drain. The assumption posed in the hypotheses one and two is that those variables influence positively the Country of Origin Effect.

The fourth chapter of the paper is named the Research Method. In this chapter the main principles related to the development of the research were covered. The first element that was taken into consideration is the validity and the use of measures. In the paper we have defined and explained the connection between the independent variables, that is the Country of Origin with the dependent variable which is Willingness to Purchase. The Willingness to Purchase is used to measure and control the variables and manipulate the scenarios in order to reach concise information. Later on we have discussed the sample that participated in the experiment, as well as the instruments that have been used. The sample of the research is 200 people, while the method of conducting the research and reaching empirical findings was an experiment. In the design of the study we expanded our views set in the methodology subchapter of Chapter 1. Lastly, we have discussed the methods that there were used in collecting and analyzing the data. The main element to consider in these sections is the software that was used to conduct the experiment. The name of the software is Qualtrics and it has been proven to be out of most help in the development of the study.

In the final fifth chapter that is called Discussion and Conclusion we examined the findings from the research. The consideration was first put on the results of the study and their interpretation. The results indicated that Country of Origin effect is an important aspect of marketing in the 21st century. The implications of the Diaspora and Brain Drain effect of Serbia have been proven to be inferior in respect to the British sample as well as the scenario when the country has not been named. Brining this study to conclusion while considering the elements driving the decision making process and the perception of the consumers.

Now at this segment of the paper called the overview of the thesis we have made brief explanations of the chapters covered. After this, we will focus on the implications that are relevant for scholars and managers. The interesting aspect is that we have covered both sides of the spectrum by acknowledging both the managers from developing and developed countries. The strategies that have to be used as adjusted were stated. The manager of an organization competing internationally has to adjust his or hers marketing and communication strategy. While takin all the benefits of being

international and foreign, but not declaring a clear Country of Origin because that may lead to lower sales. On the other hand, managers from developed countries have to engage their Diaspora further more as one of the channels of marketing communication. Besides that, they should take advantage of their heritage and history, especially on markets that historically had good relations with that nation.

Lastly, we have considered the limitations of the study and prepositions for Future academic endeavours. In the part of limitations we have considered a wide range of problems from the sample and the language of the experiment and also the implications that need to be further researched in-depth. In the Future research we have taken into consideration the topics that were not examined properly, or have been neglected. In the future studies individual reports could be conducted on a specific topic. To end the main part of the thesis, the conclusion of the paper was developed.

After Chapter five the author has demonstrated main sources of the information used in the study. This segment of the thesis is build out of academic references and the bibliography that has an influence on the perspective and the better understanding of the problem to the author.

In the very end, three appendixes were presented in order to better explain issues that were discussed in the paper. The first one is the diversifications of nations based on the level of economic development. Countries were divided into groups based on their performance by the International Monetary Fund. After that, we briefly explained two countries that were present in the experiment. Serbia and the UK have a completely different background and history. That is just one of the aspects that has grabbed the interest of the author while conducting the research. Lastly, the layout of the experiment was presented so that even people who have not participated in the study can grasp the general flow and the direction of the experiment.

5.3 Managerial implication

The importance of the study is represented through its actual and potential business and managerial implications. The actual implication of the study resembles the various issues that were encountered during the paper research, and how they can be used in commercial use, or in other words how businessmen and managers can use the information to their advantage while considering endeavours on the global market.

With the rising influence of globalization and the trend of developing countries playing an important role in the economic environment, it is out of most importance to be prepared to change the strategy of the organization according to the given situation. The ability of flexibility has an increased value on the global market, and managers and future leaders alike must be aware of actual and potential outcomes of their actions. That is why the future research and evaluation of the subject is necessary.

The managerial implications are divided into two main segments, them being:

1. Managers from developed countries,
2. Managers from developing countries.

5.3.1 Managers from developed countries

Results indicate that the Country of Origin effect plays an important role in the decision making of consumers on the markets of the developed economies. That is why the managers of organizations originating from those countries should take advantage of their heritage and history.

They should use the good stereotypes made by the rest of the world in order to promote their country and in that way characterize a product as superior or of higher quality. The Country of Origin has been proven once again to be a competitive advantage for developed nations and that is why the marketing department has to take advantage of this fact.

By taking into consideration the population of the consumers it is necessary to implement and change your marketing strategy so it may bring you the best possible outcome. As far as the Country of Origin is concerned, the story of the British yogurt may be translated to other categories and product. Furthermore, managers should use their diaspora and workers abroad to promote and distribute their products. This logic was developed based on the high influence people from developed nations have on the decision making process worldwide.

5.3.2 Managers from developing countries

Results that have been shown by this study indicate that the communication and marketing strategies of organizations originating from developing or underdeveloped countries may have to change. The results clearly show that an international product without a country of Origin stated received a much higher score than the good from Serbia.

That is bringing us to a conclusion that the negative connotation of Serbia had a lot to do with the success of that hypothetical business. The managers may take a lot from this study, by understanding the implications and importance of the Country of Origin, but choosing to communicate the message of foreign goods a bit differently. Furthermore, it is necessary to adapt to local customers and promote your goods not only within your ethnic group.

The exception has been also stated. The organizations from developing countries may like to use the targeting strategy of the Made in effect successfully only if the number of citizens of that country within another one is extremely high. Then the marketing may adapt to serve those specific groups and the Country of Origin may not be translated outside the circle of the same nation.

5.4 Limitations

Although interesting, the topic covered in this thesis was very challenging to research and conduct. While exploring the implications that the study may have, it is also out of most importance not to overlook the limitations that were encountered in the development of the thesis. When tackling issues with significant social, political, economic and philological implications, it is important to understand the focus of the study.

Level of intensity of the individual topics that were covered was encountered as one of the limitations. In order to create a hypothetical scenario that has given us results, a variety of factors were not taken into consideration. The implication of migration and actions affecting the world in a similar way have to be researched thoroughly in order to follow the trend and master the conditions in the changing environment. In addition, two limitations that are essential to be covered in future research are the diversifications of countries and brands. Depending on brand categories and what that particular country or area is known for, the Country of Origin effect may experience significant variation. In line with the macro relations of countries considered are also crucial. The prior experiences, as well as current attitudes of people, especially in the case of Brain drain and Diaspora. Some countries may have an extremely negative expertise, while others are neutral or even positive. That situation is creating outliers that are very challenging to examine.

Other limitations concerning the research were mainly associated with the level and quality of data that could be gathered. The limitations in time and resources have created significant difficulties in the evaluation of the problem and gathering information that can show a more fragmented situation.

An additional limitation of the research is the fact that the experiment did not have the possibility to test the volatility between the goods and services, and how can they be manipulated according to the scenario or a situation. Services may have a completely different implication on the research from traditional goods.

Finally, the limitation of language barrier was present. The differences in language especially in Europe are extremely high. The experiment was conducted in English, meaning that the sample of people coming from developed economies was bound to only the people who can understand and have high level of English language.

5.5 Future research

Future research represents how the study will continue to evolve or which elements need to be investigated individually that are inspired from the paper. We have developed several assumptions in the paper in order to successfully implement the methodology. While considering some of them and by following the limitations of the research, we can demonstrate some key elements that need to be researched in future academic endeavors.

One of them is mapping of the foreign population, primarily inside the borders of a country, similar to the system that has been developed by the Austrian Government. Clustering foreigners and migrants into sections and then showing the implications such groups can have. That principle can be examined also on the level of a city or a region, showing the exact density of an ethnic population and how that population affects the bargaining power of the customer. If the population is mostly concentrated on the managerial implication and importance is greater, in respect to the scenario when the population is dispersed across the whole country. Cultural capital is also one of the crucial elements that needs to be examined in order to underline the level of involvement of foreigners on home country's market.

Cultural capital is everything that an individual carries with them from their home country. Variables such as background, education, values, family relations, warmth etc. The interesting point is that it is hard to maintain the same level of cultural capital over generations. That is why we have diversification based on the generation of the migrants. If the migrants is a first-generation migrant, his or her needs differ greatly from second or even more the third generation migrants that have been incorporated into the local culture, and most of the time have accepted the values, norms and rules of the country of residence. Research in this field may bring us more relevant information and a clear picture how time impacts the wants and needs of a certain group.

Brain drain in the future research may be examined in depth based on the level we are considering. Brain drain, even in the contemporary literature, is lacking a clear definition. Based on the involvement of the country, it is crucial to measure and understand which specific group composes the effect. The location and the education, as well of the sample is something that was to be examined in depth in the future research, primarily for the organization inside the borders of developed economies. The consideration of a particular nation or an image can greatly vary based on the location of the sample.

An interesting point of examining the effects of Country of Origin can be looked in through the actual success and integration of migrant population on the territory of a new market. Kloosterman and Rath (1999, 2003) have conducted a research on the integration of migrants and how it can affect their perspective. They have concluded that migrants mostly operate in micro businesses based on service based industries. The study showed that local population doesn't want to buy goods and services from stores owned by migrants. This can be extrapolated on the principle of Country of Origin in the future.

Another field of research could be the cultural ties of particular nations. It can create all the difference, if an individual nation had historically good relations with another and perceives its migrants positively. On the other hand, cultural and historical differences may lead to a negative perception of the Country of Origin as well. That is why the ties of nations have to be taken into consideration for future research questions.

The location of people and the location and frequency of goods is essential also. Whether goods could be purchased only in specialized shops that target mostly the ethnic population of one country in another, or the goods can be purchased in almost every market or supermarket must be taken into account. As the topic of the Country of Origin effect and Migration unfold and continuously intertwine, the exploration of the field must continue so that the latest information can be put to good use by the academia and the business sector.

5.6 Conclusion

To conclude the paper, we need to briefly reflect on the study and how the study can be expanded and used in commercial purposes. The paper on the topic of the Country of Origin effect displayed a high need for integration of various aspects of human behavior, them being mainly social, economical, political and psychological. These elements came into the bottle neck in this paper that had a goal to demonstrate the unequal treatment of the organizations, brands, goods and services while competing in the international environment. The implications of globalization have made a world more interdependent, that is why going global became a necessity over the last 20 years. In order to prosper and evolve, firms need to engage in foreign endeavors, but what is the level of success they demonstrate is a completely different topic. By gathering the literature and theoretical background for the research, the author discovered that most of the papers were made with a developed country in the centerpiece, and that is for a reason. As the study has shown, the effects of Brain Drain and Diaspora were significantly higher from the perspective of a developed nation. The migration and the differences in location have created an environment where tasting goods and products that were not created locally is possible. The study had a clear point to demonstrate the performance of a brand coming from a developing country on markets of developed economies. The study has shown that participants created a significant level of skepticism and bias towards goods coming from Serbia, that was used as an example of a developing country.

The findings were in line with the contemporary literature of International Marketing, but the fact that the scenario was hypothetical has raised a lot of questions. The main purpose of the study was to engage the reader of the current happenings on the global market. Only when scholars, managers and researchers combine their efforts we may have a clear and uncorrupted image of what effects Diaspora and Brain Drain may actually have on the decision making processes of the consumer. Through that we might open a new exciting chapter of research endeavors on the topic of the Country of Origin from the perspective of a developing country.

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Appendix A. Countries based on the level of Development

Source: The World Factbook. 2016. The World Factbook. [ONLINE] Available at: <https://www.cia.gov/library/publications/the-world-factbook/appendix/appendix-b.html>.

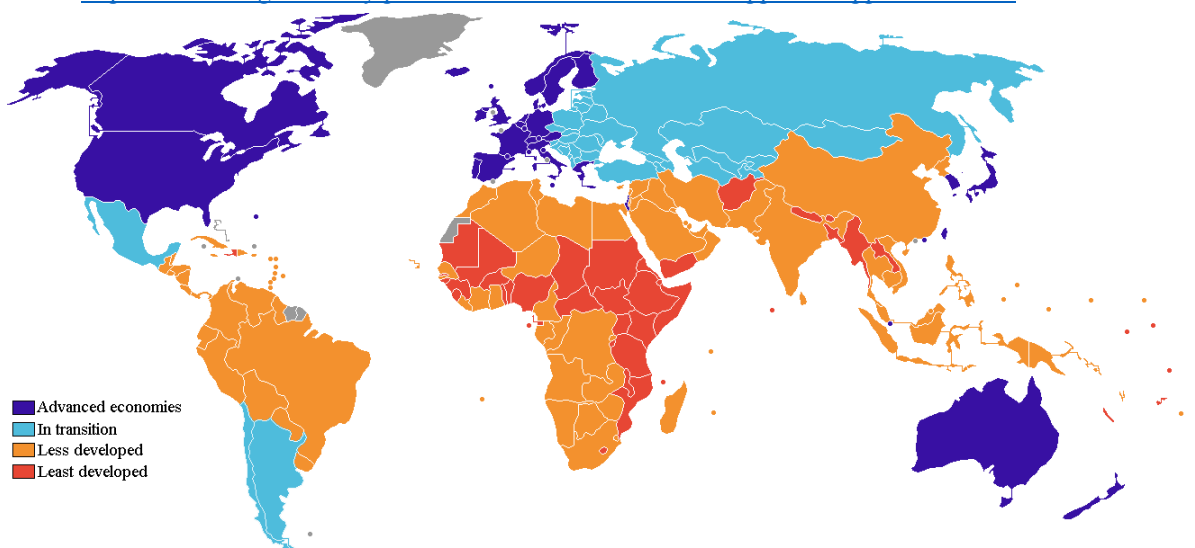


Figure 13. Economies of Development

Table 27. Advanced Economies

Advanced Economies ²³²⁴		
Australia	Iceland	Portugal
Austria	Ireland	San Marino
Belgium	Israel	Singapore
Canada	Italy	Slovak Republic
Cyprus	Japan	Slovenia
Czech Republic	Korea	Spain
Denmark	Latvia	Sweden
Estonia	Lithuania	Switzerland
Finland	Luxembourg	Taiwan Province of China
France	Malta	United Kingdom
Germany	Netherlands	United States
Greece	New Zealand	
Hong Kong, SAR	Norway	

²³ Bolded Countries (United Kingdom and Serbia) were used as examples in the Study

²⁴ Accessed: World Economic Outlook Database April 2015 -- WEO Groups and Aggregates Information. 2016. World Economic Outlook Database April 2015 -- WEO Groups and Aggregates Information. [ONLINE] Available at: <http://www.imf.org/external/pubs/ft/weo/2015/01/weodata/groups.htm>.

Table 28. EURO Area

EURO Area		
Austria	Germany	Malta
Belgium	Greece	Netherlands
Cyprus	Ireland	Portugal
Estonia	Italy	Slovak Republic
Finland	Latvia	Slovenia
France	Luxembourg	Spain

Table 29. Major Advanced Economies (G7)

Major Advanced Economies (G7)		
Canada	Germany	Japan
France	Italy	United Kingdom
		United States

Table 30. European Union

European Union		
Austria	France	Malta
Belgium	Germany	Netherlands
Bulgaria	Greece	Poland
Croatia	Hungary	Portugal
Cyprus	Ireland	Romania
Czech Republic	Italy	Slovak Republic
Denmark	Latvia	Slovenia
Estonia	Lithuania	Spain
Finland	Luxembourg	Sweden
		United Kingdom

Table 31. Emerging and Developing Economies

Emerging and Developing Economies		
Afghanistan	Fiji	Palau
Albania	Gabon	Paraguay
Algeria	The Gambia	Peru
Angola	Georgia	Philippines
Antigua and Barbuda	Ghana	Poland
Argentina	Grenada	Qatar
Armenia	Guatemala	Romania
Azerbaijan	Haiti	Russia
The Bahamas	Honduras	Rwanda
Bahrain	Hungary	Samoa
Bangladesh	India	Sao Tomé and Príncipe
Barbados	Indonesia	Saudi Arabia
Belarus	Iran	Senegal
Belize	Iraq	Serbia
	Jamaica	Seychelles

Benin	Jordan	Sierra Leone
Bhutan	Kazakhstan	Solomon Islands
Bolivia	Kenya	South Africa
Bosnia and Herzegovina	Kiribati	South Sudan
Botswana	Kuwait	Sri Lanka
Brazil	Kyrgyz Republic	St. Kitts and Nevis
Brunei Darussalam	Lao P.D.R.	St. Lucia
Bulgaria	Lebanon	St. Vincent and the
Burkina Faso	Libya	Grenadines
Burundi	FYR Macedonia	Sudan
Cambodia	Madagascar	Suriname
Cameroon	Malawi	Swaziland
Cabo Verde	Malaysia	Syria
Central African Republic	Maldives	Tajikistan
Chad	Mali	Tanzania
Chile	Marshall Islands	Thailand
China	Mauritania	Timor-Leste
Colombia	Mauritius	Togo
Comoros	Mexico	Tongo
Democratic Republic of	Micronesia	Trinidad and Tobago
Congo	Moldova	Tunisia
Costa Rica	Mongolia	Turkey
Cote d'Ivoire	Montenegro	Turkmenistan
Croatia	Morocco	Tuvalu
Djibouti	Mozambique	Uganda
Dominica	Myanmar	Ukraine
Dominican Republic	Namibia	United Arab Emirates
Ecuador	Nepal	Uruguay
Egypt	Nicaragua	Uzbekistan
El Salvador	Niger	Vanuatu
Equatorial Guinea	Nigeria	Venezuela
Eritrea	Oman	Vietnam
Ethiopia	Pakistan	Yemen
Guinea	Panama	Zambia
Guinea-Bissau	Papua New Guinea	Zimbabwe
Guyana		

Table 32. Commonwealth of Independent States

Commonwealth of Independent States ²⁵		
Armenia	Kazakhstan	Tajikistan
Azerbaijan	Kyrgyz Republic	Turkmenistan
Belarus	Moldova	Ukraine
Georgia	Russia	Uzbekistan

²⁵ Georgia, Turkmenistan, and Ukraine, which are not members of the Commonwealth of Independent States, are included in this group for reasons of geography and similarity in economic structure.

Table 33. Emerging and Developing Asia

Emerging and Developing Asia		
Bangladesh	Malaysia	Samoa
Bhutan	Maldives	Solomon Islands
Brunei Darussalam	Marshall Islands	Sri Lanka
Cambodia	Micronesia	Thailand
China	Mongolia	Timor-Leste
Fiji	Myanmar	Tonga
India	Nepal	Tuvalu
Indonesia	Palau	Vanuatu
Kiribati	Papua New Guinea	Vietnam
Lao P.D.R.	Philippines	

Table 34. ASEAN-Five

ASEAN-Five
Indonesia, Malaysia, Philippines, Thailand and Vietnam

Table 35. Emerging and Developing Europe

Emerging and Developing Europe		
Albania	Croatia	Montenegro
Bosnia and Herzegovina	Hungary	Poland
Bulgaria	FYR Macedonia	Romania
		Serbia
		Turkey

Table 36. Latin America and Caribbean

Latin America and the Caribbean		
Antigua and Barbuda	Dominican Republic	Panama
Argentina	Ecuador	Paraguay
The Bahamas	El Salvador	Peru
Barbados	Grenada	St. Kitts and Nevis
Belize	Guatemala	St. Lucia
Bolivia	Guyana	St. Vincent and the Grenadines
Brazil	Haiti	Suriname
Chile	Honduras	Trinidad and Tobago
Colombia	Jamaica	Uruguay
Costa Rica	Mexico	Venezuela
Dominica	Nicaragua	

Table 37. Middle East and North Africa

Middle East and North Africa		
Algeria	Jordan	Oman
Bahrain	Kuwait	Qatar
Djibouti	Lebanon	Saudi Arabia
Egypt	Libya	Sudan
Iran	Mauritania	Syria
Iraq	Morocco	Tunisia
		United Arab Emirates
		Yemen

Table 38. Sub-Saharan Africa

Sub-Saharan Africa		
Angola	Ethiopia	Niger
Benin	Gabon	Nigeria
Botswana	The Gambia	Rwanda
Burkina Faso	Ghana	Sao Tomé and Príncipe
Burundi	Guinea	Senegal
Cameroon	Guinea-Bissau	Seychelles
Cabo Verde	Kenya	Sierra Leone
Central African Republic	Lesotho	South Africa
Chad Comoros	Liberia	South Sudan
Democratic Republic of	Madagascar	Swaziland
Congo	Malawi	Tanzania
Republic of Congo	Mali	Togo
Cote d'Ivoire	Mauritius	Uganda
Equatorial Guinea	Mozambique	Zambia
Eritrea	Namibia	Zimbabwe

Appendix B. Serbia and the United Kingdom

Serbia

Source: Народна скупштина Републике Србије | Насловна страна. 2016. Народна скупштина Републике Србије | Насловна страна. [ONLINE] Available at: <http://www.parlament.gov.rs>



Figure 14. Flag of Serbia

When considering the geographical location, few can match the strategic position of the Republic of Serbia. Serbia (Srbija/Србија) is a sovereign country located on the peninsula of Balkan. It is located on the territory of the central Balkans making it an important point for the transport and commerce of three continents: Europe, Asia and Africa.

There are eight countries that are surrounding Serbia. On the north border Serbia is connected with Hungary, on the east side with Romania. In the region of South East with Bulgaria and in the East South with Albania and Macedonia. In the South West Serbia has a border with Montenegro, and in the West with Bosnia and Herzegovina and Croatia.

Serbia has a population of more than seven million people²⁶, with the additional four million living outside of the borders of their country. The capital of the state is Belgrade which is one of the largest cities in this part of Europe, and represents a clash of many different cultures, people, customers and styles.

²⁶ Accessed: Пројекције становништва по регионима [ONLINE] Available at: <http://webzrzs.stat.gov.rs/WebSite/Public/ReportResultView.aspx>

Serbia has a rich and turbulent history with many implications with the situation today in the Balkans. One of the most significant recent changes on the Balkans is the dismantlement of the once powerful nation Yugoslavia, that was a creation of all the Slavic people on the territory of the Western Balkans. Yugoslavia represented a unity of Slovenia, Croatia, Serbia, Bosnia and Herzegovina, Montenegro and F.Y.R. Macedonia.

Unfortunately, the situation was not stable after the death of the marshal of Yugoslavia Josip Broz Tito, and that resulted in a civil war during the 1990's. These events created a tense situation that still needs time to resolve. Furthermore, the economic situation of the region and Serbia was problematic because of the sanctions declared to Serbia after the civil war.

At the moment Serbia is a part of many international trade organizations, such as: United Nations, Council of Europe, Organization for Security and Co-operation, Central European Trade Agreement, Partnership for Peace and Organization of Black Sea Economic Cooperation. As far as military actions go, Serbia is a neutral state.

Serbia is currently undergoing a process as a membership candidate for the European Union. Serbia is a country in development that shows great signs of potential in the future years.

United Kingdom

Source: [ONLINE] Available at: <https://flagspot.net/flags/gb.html>



Figure 15. Flag of United Kingdom

The United Kingdom of Great Britain and Northern Ireland is a sovereign state in Europe. It is often referred to as Britain or just as an abbreviation: UK. It is an island based nation located in the North West part of Europe with two parts: it is consisted of Britain and another island - Ireland, because of Northern Ireland. That part of Britain is the only part that has a border with another nation and that is the Republic Ireland on the West. The water masses that are surrounding the UK are: The Atlantic Ocean, North Sea, Celtic Sea, English Channel and the Irish Sea.

UK is one of the largest countries in Europe with an 11th place in size, and it takes up 243,000 km²⁷. Besides its size, there is a large number of people living in the United Kingdom with around 64.5 million²⁸.

The political system of the UK is a monarchy with a parliamentary system of Governance. The UK is divided into four parts, them being: England, Scotland, Wales and Northern Ireland. The capital of the UK is the city that is recognized around the world for it's importance and openness towards globalization, London. London is considered to be one of the main economic centers of the world, right next to New York, and the forth in size in Europe with around 10,3 million people²⁹ living there.

²⁷ Accessed: Islands by Land Mass. [ONLINE] Available at: <http://islands.unep.ch/Tiarea.htm>

²⁸ Accessed: Report for Selected Countries and Subjects. 2016. Report for Selected Countries and Subjects. [ONLINE] Available at: <http://www.imf.org/external/pubs/ft/weo/2016/01/>

²⁹ Accessed: World Urbanization Prospects - Population Division - United Nations. 2016. World Urbanization Prospects - Population Division - United Nations. [ONLINE] Available at: <http://esa.un.org/unpd/wup/CD-ROM/>.

United Kingdom is one of the most developed economies in the world which is demonstrated through their power and influence worldwide. UK is not only a part, but also one of the leading states in the political aspect and is one of the G7 countries.

Appendix C. Experiment

Country of Origin: Brain Drain

Q1 Dear Respondent, many thanks for the participation in this short study. Please keep in mind that there are no right or wrong answers, and that we are only interested in your opinion. The data gathered is not for commercial use, assuring that your privacy and confidentiality will be guaranteed. This survey will be used only for research purposes.

Q2. (Scenario 1)³⁰ Imagine that you are working as a project manager at Ferrero, which is an Italian manufacturer of branded chocolate and confectionery products, that is considered top Italian company in terms of reputation for 2016. Ferrero is a company that is present in all parts of the globe. You recently noticed that one of your new managers has been hired outside of the organization. You are certain that he has been hired based on his skills and knowledge, and that he has recently moved from Serbia to Alba, Italy. Serbia is a developing country that has experienced growth in the past several years from the hyperinflation and economic sanctions during the 1990's. At the same time, one of the Serbian brands of yogurt is trying to commercialize the product in Italy. The brand is well recognized and relevant in Serbia. Furthermore, the product has been adapted to the Italian taste preferences.

Q3. (Scenario 2) Imagine that you are working as a project manager at Ferrero, which is an Italian manufacturer of branded chocolate and confectionery products, that is considered top Italian company in terms of reputation for 2016. Ferrero is a company that is present in all parts of the globe. You recently noticed that one of your new managers has been hired outside of the organization. You are certain that he has been hired based on his skills and knowledge, and that he has recently moved from the UK to Alba, Italy. Great Britain is one of the most developed economies in the world. Britain is one of the driving forces of the modern economy and a crucial member of the G7 summit. At the same time, one of the British brands of yogurt is trying to

³⁰ The randomization option of Qualtrics, allows participants to receive one of the following three scenarios

commercialize the product in Italy. The brand is well recognized and relevant in Serbia. Furthermore, the product has been adapted to the Italian taste preferences.

Q4 (Scenario 3) Imagine that you are working as a project manager at Ferrero, which is an Italian manufacturer of branded chocolate and confectionery products, that is considered top Italian company in terms of reputation for 2016. Ferrero is a company that is present in all parts of the globe. You recently noticed that one of your new managers has been hired outside of the organization. You are certain that he has been hired based on his skills and knowledge, and that he has recently moved from his/her home country to Alba, Italy. At the same time, one international brand of yogurt is trying to commercialize the product in Italy. The brand is well recognized and relevant internationally. Furthermore, the product has been adapted to the Italian taste preferences.

Q5 How willing would you be to purchase a dairy product (yogurt) that is not produced locally?

	Not at all (1)	Little (2)	Less than average (3)	A moderate amount (4)	More than average (5)	A lot (6)	A great deal (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q6 How Willing would you be to Purchase that yogurt?

	Not at all (1)	Little (2)	Less than average (3)	A moderate amount (4)	More than average (5)	A lot (6)	A great deal (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7 Do you think that your attitude towards that product, can influence your Willingness to Purchase of another product from that country?

	Definitely not (1)	No (2)	Probably not (3)	Might or might not (4)	Probably yes (5)	Yes (6)	Definitely yes (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q8 How much influence would your colleagues have on your decision making process while buying yogurt?

	Not at all (1)	Little (2)	Less than average (3)	A moderate amount (4)	More than average (5)	A lot (6)	A great deal (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q9 How important is the Country of Origin to you?

	Not at all important (1)	Low importance (2)	Slightly important (3)	Neutral (4)	Moderately important (5)	Very important (6)	Extremely important (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q10 In your opinion is your surrounding multinational?

	Definitely not (1)	No (2)	Probably not (3)	Might or might not (4)	Probably yes (5)	Yes (6)	Definitely yes (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q11 When you generally purchase goods, do you change brands often?

	Never (1)	Rarely (2)	Infrequently (3)	Neutral (4)	Sometimes (5)	Usually (6)	Always (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q12 If you were to buy a yogurt that is not produced locally, how high would your expectations be?

	Very low (1)	Low (2)	Less than average (3)	Average (4)	More than average (5)	High (6)	Very high (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q13 From the scenario what would be the primary influence for your purchase of the new yogurt?

- ☐ Price (1)
- ☐ Quality (2)
- ☐ Curiosity (3)
- ☐ Packaging (4)
- ☐ Other (5) _____

Q14 If you liked the yogurt, how frequent would you purchase it in respect to the local one?

	Never (1)	Rarely (2)	Infrequently (3)	Neutral (4)	Sometimes (5)	Usually (6)	Always (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q15 What could make you change your typical brand?

- ☐ Traditional Media (1)
- ☐ Social Media (2)
- ☐ Recommendation (3)
- ☐ Curiosity (4)
- ☐ Other (5) _____

Q16 Sex:

- ☐ Male (1)
- ☐ Female (2)

Q17 Age:

- ☐ 18-25 (1)
- ☐ 26-35 (2)
- ☐ 36-45 (3)
- ☐ More than 45 (4)

Q18 Education:

- ☐ High School (1)
- ☐ Undegraduate (2)
- ☐ Postgraduate (3)
- ☐ Other (4) _____

Q19 Area you live in:

- ☐ Rural (1)
- ☐ Village (2)
- ☐ Town (3)
- ☐ City (4)

Q20 Your County of Origin:

Q21 Do you currently live or have lived outside of your home country?

- ☐ Yes (1)
- ☐ No (2)

If No Is Selected, Then Skip To End of Survey

Q22 Your Country of Residence:

Q23 For how long do you live or have lived outside your country:

- ☐ Less than a year (1)
- ☐ 1-3 years (2)
- ☐ 3-5 years (3)
- ☐ More than 5 years (4)

Country of Origin: Diaspora

Q1 Dear Respondent, many thanks for the participation in this short study. Please keep in mind that there are no right or wrong answers, and that we are only interested in your opinion. The data gathered is not for commercial use, assuring that your privacy and confidentiality will be guaranteed. This survey will be used only for research purposes.

Q2 Imagine that you are living in Milan which is a one of the greatest European cities, with 1.251 million people. Within Milan, there are around 200,000 Serbs living and working there. The Serbian diaspora has formed ethnic and cultural groups, enabling them to maintain their cultural capital inside the borders of another country. Serbia is a developing country that has experienced growth in the past several years from the hyperinflation and economic sanctions during the 1990's. Now, one of the Serbian brands of yogurt is trying to commercialize the product in Italy. The brand is well recognized and relevant in Serbia. Furthermore, the product has been adapted to the Italian taste preferences.

Q3 Imagine that you are living in Milan which is a one of the greatest European cities, with 1.251 million people. Within Milan, there are around 200,000 people from Great Britain living and working there. The British diaspora has formed ethnic and cultural groups, enabling them to maintain their cultural capital inside the borders of another country. Great Britain is one of the most developed economies in the world. Britain is one of the driving forces of the modern economy and a crucial member of the G7 samite. Now, one of the British brands of yogurt is trying to commercialize the product in Italy. The brand is well recognized and relevant in the UK. Furthermore, the product has been adapted to the Italian taste preferences.

Q5 Imagine that you are living in Milan which is a one of the greatest European cities, with 1.251 million people. Within Milan, there are around 200,000 foreigners living

and working there. Foreigners have formed their diasporas, and have developed ethnic and cultural groups, enabling them to maintain their cultural capital inside the borders of another country. An international brand of yogurt is trying to commercialize the product in Italy. The brand is well recognized and relevant internationally. Furthermore, the product has been adapted to the Italian taste preferences.

Q6 How willing would you be to purchase a dairy product (yogurt) that is not produced locally?

	Not at all (1)	Little (2)	Less than average (3)	A moderate amount (4)	More than average (5)	A lot (6)	A great deal (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q7 How Willing would you be to Purchase that yogurt?

	Not at all (1)	Little (2)	Less than average (3)	A moderate amount (4)	More than average (5)	A lot (6)	A great deal (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q8 Do you think that your attitude towards that product, can influence your Willingness to Purchase of another product from that country?

	Definitely not (1)	No (2)	Probably not (3)	Might or might not (4)	Probably yes (5)	Yes (6)	Definitely yes (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q9 How much influence would Diasporas have on your decision making process while buying yogurt?

	Not at all (1)	Little (2)	Less than average (3)	A moderate amount (4)	More than average (5)	A lot (6)	A great deal (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q18 How important is the Country of Origin to you?

	Not at all importa nt (1)	Low importanc e (2)	Slightly importa nt (3)	Neutra l (4)	Moderatel y important (5)	Very importa nt (6)	Extremel y importan t (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q19 In your opinion is your surrounding multinational?

	Definitely not (1)	No (2)	Probably not (3)	Might or might not (4)	Probably yes (5)	Yes (6)	Definitely yes (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q20 When you generally purchase goods, do you change brands often?

	Never (1)	Rarely (2)	Infrequently (3)	Neutral (4)	Sometimes (5)	Usually (6)	Always (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q21 If you were to buy a yogurt that is not produced locally, how high would your expectations be?

	Very low (1)	Low (2)	Less than average (3)	Average (4)	More than average (5)	High (6)	Very high (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q22 From the scenario what would be the primary influence for your purchase of the new yogurt?

- ☐ Price (1)
- ☐ Quality (2)
- ☐ Curiosity (3)
- ☐ Packaging (4)
- ☐ Other (5) _____

Q23 If you liked the yogurt, how frequent would you purchase it in respect to the local one?

	Never (1)	Rarely (2)	Infrequently (3)	Neutral (4)	Sometimes (5)	Usually (6)	Always (7)
1 (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q24 What could make you change your typical brand?

- ☐ Traditional Media (1)
- ☐ Social Media (2)
- ☐ Recommendation (3)
- ☐ Curiosity (4)
- ☐ Other (5) _____

Q10 Sex:

- ☐ Male (1)
- ☐ Female (2)

Q11 Age:

- ☐ 18-25 (1)
- ☐ 26-35 (2)
- ☐ 36-45 (3)
- ☐ More than 45 (4)

Q12 Education

- ☐ High School (1)
- ☐ Undergraduate (2)
- ☐ Postgraduate (3)
- ☐ Other (4) _____

Q13 Area you live in:

- ☐ Rural (1)
- ☐ Village (2)
- ☐ Town (3)
- ☐ City (4)

Q14 Your County of Origin:

Q15 Do you currently live or have lived outside of your home country?

- ☐ Yes (1)
- ☐ No (2)

If No Is Selected, Then Skip To End of Survey

Q16 Your Country of Residence:

Q17 For how long do you live or have lived outside your country:

- ☐ Less than a year (1)
- ☐ 1-3 years (2)
- ☐ 3-5 years (3)
- ☐ More than 5 years (4)