LUISS

Department of Impresa e Management

Chair of Behavioral Economics

"What do you care where it comes from?"

Country-of-origin effects on food and automotive

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Introduction

Today, understanding the overall path of people's decision-making process is considered fundamental, becoming the focus for different academic fields, as well as the actual keystone of success (or failure) for the several companies dotting the marketplace. Which are the attributes that people consider while pondering a decision is kind of subjective, due to the uniqueness characterizing each human being's way of thinking. On the other hand, try to define recurring factors of choice is worth a try. As reported within the first chapter, among these latter there are external factors, the many societal elements that can affect consumer decision-making, such as country of origin. By the way, the study aims to investigate the relationship between customers' decision-making process and products' country of origin. The latter will be introduced and investigated both as a variable and effect, and a focus will be set on two different categories of the product, food and automotive, to better underline the alleged differences occurring on customers' perception of COO's importance. For the record, the country-of-origin within the decision-making process is defined as COO image: the overall perception or stereotype that consumers attach to products of a specific country, based on their views of the country's strengths and weaknesses in production and marketing. It refers to a very articulate effect which different phenomena take cues from: bias, skepticism, and ethnocentrism. Moreover, it is not associated with an absolute effect, whatever are the boundary conditions. The real extent of COO can be inferred in comparison with other variables concerning the choice, COO is associated with. Not properly considering COO in the context of the choice, will overestimate its effect, as indicated in the second chapter of this thesis. In fact, a first mainstream of studies on the topic, mainly overcome to date, focused on a single-cue kind of approach. The latter proposes an effects' evaluation of country of origin on customers' decision, without considering any other variable capable of influence. Despite the value attributable to this first stream of studies, as the pioneer one opening the way to the wide literature on COO accountable today, multiple points of weaknesses characterizing single-cue studies, must be underlined. Through a literature review, it comes up that every research of this kind conducted up to 1982 tends to associate a too much heavy extent to COO's influence in the evaluation of products. Over time, as research methodologies got more precise, academic literature started relating to the multi-cue type of approach: country-of-origin variable is analyzed concerning a multitude of variables that are used to generally influence the decision-making process. To no longer repeat the mistakes and limitations of the past, a multi-cue methodology will be chosen for the study of this thesis, to investigate the research question on which the third chapter will focus on: how does COO's exerted influence depend on products' level of durability and

customers' belonging the COO in terms? Taking the cues from the research gaps identified within the literature review, a survey will be structured and conducted to investigate the two separated conditions – namely, durability and COO belonging. To spoiler, the general expectations furtherly presented and justified in the following chapters, are quite clearly confirmed by our results. In conclusion, psychological and emotional drivers linked to COO will be delineated, taking cues from patriotism, skepticism, and stereotypes. This latter analysis, enabled by an open-ended question within the survey, will definitely raise interesting insights of if the customers' way of reasoning when facing certain purchasing situations.

Chapter 1

1. Customers' decision-making process.

Broadly known as the decision-making process, it represents the iter of evaluation and assessment people are used to undertake when facing an every-kind of daily decision: do I want to do something? Do I want something? Do I need anything?

To answer this kind of daily recurring questions, people are unconsciously used to take part in what is properly called the decision-making process, academically defined as the process of making choices by identifying a decision, gathering information, and weighing alternative solutions (UMass Dartmouth). Even if it seems to be a natural and easygoing mechanism, daily undertaken by each of us, the process is not easy at all. The decision-making process is composed of different steps and stages, at each of which individuals get stronger consciousness about the need they feel, associated information, existing alternatives, weighting attributes, and threats. This complex process does not end with just deciding, it comprehends a post-choice evaluation, too. Moreover, internal psychological processes have been assigned to each stage of the process (Belch G. & Belch M., 2009) from boosted motivation to achieved learning and knowledge, making the decision-making process not just a matter of rational evaluation, but emotional too. As a matter of fact, the emotional dimension rises another important variable: the process's outcome relies upon everyone's personal characteristics, way of living, and experience. In conclusion, many variables are involved, making the decision journey something kind of unpredictable.

However, understanding the overall path of people's decision-making process is worth a try. The huge interest the topic rose, produced a fully dotted literature associated with it, making it become the main focus for different academic fields, such as behavioral economics, customer behavior, game theory, and neuroscience studies. Many models and theories have been theorized. The rational model, largely overcome to date, still represents the starting point of different microeconomics postulates. Based on the assumption of a rational individual, it posits that decision-makers are able to perfectly evaluate what decision maximizes their utility, showing infallible cognitive capabilities as well as perfect learning and information (Thomsen, 2021).

As a matter of fact, reality goes differently. To date, the academic research and the managerial evidence convert on asserting distortions in the individual's decision-making processes as rational model posits them: bias. As the bounded rationality model and non-rational model state, the before-mentioned rationality is limited when individuals take decisions due to a lack of

information, time, or cognitive capabilities, and not just that. In fact, human capabilities of computation and cogitation are not the only cognitive limits on rationality, the motivational (Selten, 1990) and social are also ones: sometimes individuals have not enough information, sometimes they are not motivated enough to look for that, for example.

Another formulation deserving of a citation is the prospect theory: introduced by Kahneman and Tversky, it represents an alternative to the descriptive rational model of decision making under risk. On one hand, if classic theory tries to delineate ideal conditions according to which a decision (a decision-maker as well) can be defined as rational, on the other hand, the prospect theory focuses on describing how actually individuals behave when making decisions. In particular, the authors showed that people systematically violate their supposed rationality and underlined three psychological phenomena that influence the decision-maker the most: risk aversion, isolation effect, and framing, namely the *context* (Fanotto, 2017). The latter, as furtherly explained in the following paragraphs, represents one of the main variables affecting individuals when making decisions, especially the purchasing ones.

Moving a step on, it is important to underline that understanding the decision-making process has not just academic relevance. Get to know drivers of customers' choices is the actual keystone of success (or failure) for the several companies dotting the marketplace. Understanding customers, as people undertaking the process of decision, means interpreting how they take account of their needs and act to fulfill them, interfacing with endless offerings, promotions, constraints, brands, and attributes.

The mechanism leading people from a need to a fulfilling decision acquired relevance especially for the marketing field of research. Due to its persuasive purpose, the overall marketing interest is understanding how and why consumers act in a certain way, as well as manners through which this process can be influenced or even predicted. The target goal is both improving companies' marketing strategies and position and providing value and satisfaction for customers, creating competitive advantage, and increasing the value of transactions.

Nowadays, marketing researchers investigate determinants and specific relationships, rather than general theories that before XX century scholars are used to focus on. On the other hand, the task has become harder. In a such fast-moving world, trends in customer behavior changed rapidly over the last few years: people look for active participation in the experiences they take part in, super-personalization, caring for global resources, fitting with cultural belongings, etc. To date, the focus of research on customers' decision-making process in purchasing situation, has been set around two dimensions: moments that matter, namely touchpoints of the process during which customers are willing to be influenced, and factors that actually influence them.

Overall talking, moments that matter, in customers' decision-making, have been described through different models so far (Stankevich, 2017). Starting from the traditional model posited by Kotler and Keller (Kotler and Keller, 2012), involving five steps through which customers go through when selecting and finalizing a purchase, moving forward to the psychological connotation of Belch and Belch's model (Belch G. & Belch M., 2009).
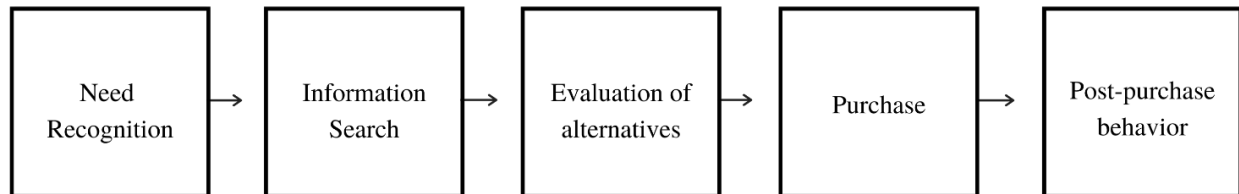

Figure 1 - Kotler and Keller's model stages

This study's discussion and hypothesis will be centered around the second and third stage of the represented process: the one stepping from the searching of information to the evaluation of the options, basing on attributes figured out. During the latter, customers are used to set an assessing framework composed of the most important attributes (or the most important one) that will address his/her final decision or be useful as cut-off dimensions. These might be price, perceived quality, brand, as well as external factors, basically linked to the surrounding environment and context. Whit this in mind, moments that matter could be emotional connections or experiences with the product in terms, surrender to recommendations, prejudice, advertising, product placement, and marketing campaigns, etc. ("Digital Democracy Survey 2015", 2015). One of the most cognitively effortful strategies of attributes evaluation is the weighted additive decision one (WADD): in selecting offerings consumers assign importance weights to each attribute and then compute an overall score for each of the options by summing up the product of the importance weight and the score of that option. The one with the highest overall score is chosen (Soman, 2015).

Which are the attributes that people consider while pondering a decision is kind of subjective, due to the uniqueness characterizing each human being's way of thinking. On the other hand, marketing research have shown over time a customers' clear tendency in what is usually just a matter of opinion. Recurring factors of choice have been classified into two categories: internal and external factors (Burnett, 2008). Internal factors are also known as personal influences, and concern dimensions distinguishing everyone from others. In this sense, we can consider as a unique problem-solving unit each customer to some degree, as before mentioned. Rather than this, to fully appreciate the totality of the buying process, it is crucial for marketers to examine the internal forces that influence consumers, that's why internal factors have been grouped into meaningful segments: personality and lifestyle, learning and education, socialization, and

motivation. On the other side, another important set of influences on consumer behavior are external factors, and among the many societal elements that can affect consumer decision-making, there are culture, country of origin, social class, reference groups, and family. These are all dimensions belonging to the concept of environment. As a matter of fact, even if the two categories are separately identifiable, they influence individuals in a joint way and must be considered this way.

This study's discussion takes the cue from the knowledge regarding the way the before-mentioned environment influences the evaluation of buying alternatives. To date, studies on buying behavior sheds the light on how individuals, as consumers, tend to think, feel, and select among existing alternatives such as brands, products, and retailers, while influenced by environmental factors such as cultural heritage, country of belonging, generation, media, and social approval. The aim of the study will be investigating the relationship between customers' decision-making process and products' country of origin. The latter will be defined and analyzed in-depth in the next paragraphs. The focus will be set on two different categories of product, food and automotive, to better underline the alleged differences occurring on customers' perception of COO's importance. In conclusion, psychological and emotional drivers linked to COO will be delineated, taking cues from patriotism, skepticism, and stereotypes.

1.1 Country of Origin: an overview.

To date, the marketplace is characterized by a wide range of every kind of possibility and defining the COO's concept got harder the more intense the dynamics typical of a globalized economy are becoming (Phau e Prendergast, 2000).
The growing interdependence of world's economies, cultures, and populations has both increased global competition among foreign firms, operating in different parts of the globe, and addressed an opened way for services, products, people, and information, to move. On the other hand, this couples with completely new ways of living and thinking characterizing the new citizens of the world. In fact, step by step, individuals started adapting to this new width, showing a gradual mental opening, enabling them to try and become learned about unknown, or foreign, products. The enhancement of living standards drove the process, as well as the improved lifestyles and the increased Internet-based global communications flow, that even today enable individuals to be exposed to a thicker range of options than ever before (Kaynak and Kara, 2002). Customers' perceptions changed according to their culture as well as to those

new ones they got in touch with, according to values that societies share and brands communicate.

Differently from what can be supposed, globalization-based changes do not follow a positive direction, every time. Theoretically speaking, greater openness to different cultures should always be led by increased globalization, thereby decreasing consumer ethnocentrism, and resulting in improved consumer perceptions and behavior with respect to foreign products (Matthews, 2012). Even though, empirical studies which tested the effect of globalization show mixed results, possibly because in consumers' mindsets, the effects of globalization occur at different levels (Suh, 2008).

A premise must be noted: it is broadly accepted by researchers that COO, intended as the place where a product has been literally manufactured, tends to be valued by customers as less relevant, due to the complexity of underlying productive processes. Therefore, researchers agree on referring to COO as COO image: the overall perception or stereotype that consumers attach to products of a specific country, based on their views of the country's strengths and weaknesses in production and marketing (Nagashima, 1970; Roth and Romeo, 1992). Stereotyped images about countries are held in customers' minds, which are used as information cues to judge a product from a different country. The mental shortcuts that consumers use in decision making are part of their COO data, a sort of "gut-feelings", that they use when evaluating a product, especially when little is known about the product category and when there is a lack in other information cues (Maheswaran, 1994). Judgments and stereotypes on foreign countries of origin collide with those concerning customers' home countries. By the way, *ethnocentrism* is defined as the tendency of consumers to exhibit a preference or favorable attitude toward products originating from, or associated with, their own culture and/or country, when they are compared to foreign-made products (Shimp and Sharma, 1987). The phenomenon can result from different kinds of beliefs[1], and has four types of antecedents: socio-psychological, economic, political, and demographic (Shankarmahesh, 2006). Several studies have been conducted to better outline the interaction between ethnocentrism and country of origins evaluation, ending up that COO evaluations will be negatively influenced by customers' ethnocentric attitudes, due to out-group and in-group biases[2] (De Mooij, 2004). Moreover, studies examining the dynamic impact of globalization on ethnocentrism and COO

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[1] An example of those: it is inappropriate and even immoral to purchase products from other countries, rather than directly from the home one (Shankarmahesh, 2006).
[2] The first one refers the perception that out-groups are inferior to in-groups. The second kind of bias comprehends the perceptions that groups to which one belongs, in-groups, are superior to groups to which they do not belong, out-groups.

evaluations figured out that consumers belonging to certain cultures, specifically to collectivist[3] ones, continue to inflict in-group biases favoring domestic products and out-group biases against imports in their decision-making processes. This conclusion underlines how much, even if globalization, Internet, and global communication have failed to produce a convergence in consumer behavior across cultures as many have predicted, those have enhanced consumers' cultural identities, which are reflected through favorite national brands and consumption rituals. As a matter of fact, COO effect cannot be evaluated uniformly, even if this is a globalized and a multiculturally integrated world. The dialectic between markets' globalization and local territories' role led companies to carefully assess their country's perceived value, exploiting and leveraging on it when convenient. Each country to communicate their characterizing value proposition, as well as to well distinguish their selves from others, use the mark of country of origins: the "Made in" one. The "Made in" label is basically supposed to indicate where a product is literally made in. According to Manrai et al., political, cultural, and economic issues have a stronger influence in the process of evaluation of the "Made in" product, which are not always based on customer knowledge but preconceptions. For instance, for products coming from industrialized countries, consumers in the industrialized country show a favorable attitude towards "Made in" products when the products come from their own home country (Batra et al, 2000) The effect is opposite for consumers of developing countries, where the "foreign" product is perceived as being of greater quality and is, therefore, viewed positively (Dakin et al, 2010). With this in mind, "Made in" evaluation is clearly influenced by demographics variable, such as age, sex, income level, race, employment, location, homeownership, and level of education (Ahmed and D'Astous, 2004). On its side, "Made in" assessment directly influences not just the single evaluation or purchasing, brand image and willingness to pay are affected too (Cappelli et al, 2016).

The brand image, on a hand, creates value in terms of processing information for the consumer, differentiating the brand from others, and generating purchasing processes giving positive sensations. Keller defines the Brand Image as "*perceptions of a brand as reflected by the brand associations held in consumer memory*" (Keller, 1993). There is a close relationship between the Brand Image and the Country of Origin: the image of the brand evokes positive emotions in the consumer if the brand belongs to a particular country of origin that is significant for the consumer himself (Takor et all, 1996). On the other hand, the willingness to pay, defined as the

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3 Collectivism refers to a society where social and individual ties are strong, with people being part of strong cohesive groups (Prabhu, 2011). An example of collectivist culture is the one characterizing Chinese Republic. Collectivist cultures embrace globalism at a superficial level of economic globalization, rather than at a deeper level of political and cultural one and show a gap between the economic and the psychological level.

maximum amount of money a consumer is willing to spend for a product, as well as the attention or perception of consumers towards the purchase of a product, related to the psychology approach to pay a premium price for a "Made in" or for a specific brand product (Homburg et all, 2005). Given the width of "Made in" use implications, the mark is protected by regulations and requirements, specifically addressed later in the following paragraphs.

"Made in Italy" label is a concrete example of how "Made in" can influence the perceived quality of products, the reliability of a brand as well as of exclusiveness of post-purchase experience. As regards the Italian context, Italy's country image seems to be based on some traditional components such as history and culture, design, creativity, tourism, and lifestyle (Esposito, 2006).

It will be further analyzed in the third paragraph, that different are the semiological meanings associated with the concept of Italianicity, not always faithful representations, but used by marketers to communicate not just actual features about the products in terms, but a suggested perception. The understanding of the COO concept should continue the path away from the 'made in' idea towards any country specific association made as well as the association marketing is used to set for each specific country's label.

1.1.1 COO's relevance on customers' decision

In 1965, academic literature started showing interest in investigating tangible effects attributable to the country-of-origin of products and measure the extent of its effect in influencing decisions (Schooler, 1965). The further academic literature from that point is divided in two, according to the manner of methodology implied. Even if, the existing literature on the topic will be furtherly analyzed in the following chapter, exploring these two methods will shed light on the extent COO's effect works at and how it depends on the context of choice[4] and other variable involved in the decision.

The first mainstream of studies, mainly overcome to date, is the one focusing on *single-cue* kind of approach. The latter proposes an effects' evaluation of country of origin on customers' decision, without considering any other variable capable of influence. Over time, as research methodologies got more precise, academic literature started relating to *multi-cue* type of approach: country-of-origin variable is analyzed in relation to a multitude of variables that are used to generally influence the decision-making process.

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[4] As already mentioned, the COO's effect has different implications if decision-makers, for example, come from a developed country or developing one ((Manrai et al., 1998; Ahmed e d'Astorus, 2004).

Despite the value attributable to this first stream of studies, as the pioneer one opening the way to the wide literature on COO accountable today, multiple points of weaknesses characterizing *single-cue* studies, must be underlined. Through a literature review, it comes up that every research of this kind conducted up to 1982 tends to associate a too much heavy extent to COO's influence in the evaluation of products (Bilkey e Nes, 1982). Later studies tend to reconduct the alleged overestimation of the effect to the *single-cue* nature of methodology applied. As furtherly shown later, first studies on COO's effects tend to overvalue them since country-of-origin-related information was the only suggestion, *cue,* on which respondents might base their evaluation on. As a matter of fact, many more are the variable included in the assessment, the less consistent is the extent of influence that COO exerts. Moreover, context's characterizations are involved in the underestimation of COO's importance, too.

Valued variables proper of the offer might be price, qualitative features, perceived quality, availability, warranty, fit with expectation, country of origin, etc. On the other hand, context's characterizations group comprehends a set of situational determinants influencing the decision-making process as well. For instance, one of the latter came up in a recent study investigating why COO's effect results less significant than previously supposed (Usunier, 2002). The study ends up showing that for country-of-origin variable to be relevant in influencing a decision, the related information should be perceived as pertinent by customers regarding their choice. Moreover, the importance attributed to the information in terms should be such that significant that customers are prone to invest time and energy into evaluation of alternative origins. On the other hand, if psychological commitment is missed, information regarding country-of-origin is outclassed with respect to other characteristics, such as those already mentioned.

Other variables influencing the extent of COO, which are not properly attributable to the offer's characteristics, are those concerning customers' qualifications. As investigated by Valdani and Bertoli (Valdani and Bertoli, 2010) demographical and cultural features[5] of consumers have a strong relationship with the importance attributed to COO. Researchers agree on stating a direct relationship between income level, education level, and favorable attitude towards foreign products, which tend to invert if considering the latter dimension and age of customers: namely, the elder the customer is the less he/she would be prone to purchase foreign products. The related tendency has been explained by a stronger propensity of young people, as well as wealthier and more schooled ones, to interact with cultures differing from the one of belonging (Shimp e Sharma, 1987; Smith, 1993; Bailey & Pineres, 1997; Ahmed e d'Astorus, 2004).

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[5] These are: age, gender, income, education level, degree of ethnocentrism, etc.

At this regard, another characteristic that qualifies customers and typically represents a strong determinant in COO's relevance evaluation deserves a mention: patriotic and ethnocentric attitudes. The latter, together with skepticism, represent the topic one of the following paragraphs will be centered around, and refer to a customers' tendency to prefer national products despite other kinds of one. According to a study recently conducted (Watson e Wright, 2000), this tendency leads customers to overestimate home-country's products and underestimate foreign ones, in terms of quality.

In the matter for economic, political, and cultural dimensions, the perceived image of a country influences purchasing intentions of customers regardless of the valued qualities of products their-selves (Wang e Lamb, 1983). Studies proposing a hierarchy of effects based on the level of economic development, suggest that product evaluations tend to be highest for products sourced in highly developed countries, followed by newly industrialized countries, and lowest for Eastern European/socialist countries and developing countries (Manrai et al., 1998; Ahmed e d'Astorus, 2004). The strength of the effect is higher the more intense is the relationship between the product and any productive tradition detained by the country it comes from. For instance, COO's effect is stronger in the case of Italian fashion, French perfumes, as well as Swiss chocolate, it is less strong when talking about Australian cars.

COO's effect is not equally significant for every kind of product. It is not just a matter of category to which the latter belongs, but rather of its *typology*, characterized by the level of durability, weighted importance, perceived risk of the purchase, ect.. A country might be appreciated for a specific type of product, not for other ones. Japan, for example, is recognized as a trustable producer of electronic products of high quality, on the other hand, Japanese food's perception of quality is quite lower (Kaynak e Cavusgil, 1983). For what concerns level of commitment and perceived risk during the purchasing process, several authors state that the higher is the level of importance attributed to the purchase per se, the lower is the relevance assigned to COO variable, since the attention is widely focused on other product's characteristics (Ahmed e d'Astous, 1993). On the other hand, according to Usunier (Usunier, 2002), as already mentioned the country-of-origin might influence the choice if the related information is considered relevant by the customer at the point that he/she is prone to invest in comparing other alternatives: this is clearly supposed to happen when level of commitment is kind of high. In the case of durable products, for example, COO tends to have higher importance at the level of choice, rather than when the product is not durable.

This is the focus around which the discussion will be centered in the following chapters. As anticipated, two different categories of product will be taken into consideration: food and

automotive, to better underlined the different mechanisms occurring when the perceived risk, the weighted importance of the purchase, and probably the commitment, stay on completely different level. A deepening at this regard is proposed in the following paragraph, to provide a stronger base for the discussion.

1.1.2 COO's relevance on customers' decision: food and automotive market.

The objective of the discussion, as already said, is to explain the way COO effect influences customers purchasing behavior, starting from a differentiation between kinds of product category. Automotive and food are the ones that will be tested in the third chapter, regarding to which respondents will be asked to state a purchase intention or willingness to buy. Two different moments will be set: a first one during which COO information cue won't be provided, and a second one when it will. In fact, respondents will be asked to choose between two products, belonging to the same category, about which relevant information will be provided (i.e. price, technical attributes, design, warranty, etc.), COO concerning ones aside. The same choice will be reproposed a second time later: this time COO information will be provided, to verify if customers would change their mind due to COO information inclusion. Moreover, respondents will be randomly exposed to the product category, whether food or automotive, in order to better underline, not just overall COO effect influence, but difference occurring when product category is that much different, as well.

Whit this in mind, the following paragraph is aimed to provide a picture of food and automotive-centered studies' state-of-art, in order to better contextualize hypothesis and tests later proposed and furtherly explained. The ratio on which the choice of the two mentioned categories is based is the substantial differences standing between the two, in terms of durability, budget weight and associated motivation in information gathering process. The two categories have been already used to show COO's relevance within decision-making process, but not in comparison to each other, to investigated alleged differences of assessment. Moreover, with the purpose of investigating the psychological drivers of the choice, it has been assumed that different kind of thoughts and aspirations are assigned to these basically different kinds of good.

As a matter of fact, it is given for established that durable goods as well as the more expensive ones boost a higher level of motivation, effort, and involvement during the process of decision, than non-durable and cheaper ones do. In fact, COO construct is more salient when durable, expensive, high involvement and high differentiation goods are considered.

That is, the price is positively correlated to the involvement consumers are likely to experience (Laurent and Kapferer, 1985). The same as before, also their involvement is positively

correlated to the attention that will be devolved to assess the variables. For the most part, this is the case when it comes to purchasing durable goods: cited studies explain that durable goods are generally considered high involvement purchases because of their longevity and subsequent long-term ownership. For instance, it has been shown that nondurable goods with a small price, which generally appear to be purchased more often, such as socks, toothpaste, and orange, receive a lower score on product involvement. On the other hand, durables priced with a high- or medium- range, which are usually purchased less frequently such as blue jeans, a car, and a wristwatch are rated highly on a scale evaluating product involvement. Similarly, Summers et al. (2006) found involvement to be a significant predictor of the desire to purchase luxury fashion, for the same mental process.

Automobile is one of the product categories that has frequently been used to measure the COO effect. It is a high-involvement product that typically requires significant buyer's attention when purchased. In fact, it is typical that country of origin of a purchased car is considered among other product characteristics with stronger attention, since buyer tends to pay a high level of attention in the decision-making process. Even though COO concept has been analyzed for decades, many factors concerning the categories required a further focus on the topic, due to globalization effects, products' certain specifics, as well as the fact that buyers themselves result as 'products' of their environment under certain historical and economic developments, which taint their beliefs and associations. Both automobile manufacturing and consumption are of truly international nature. Direct consequence of global alliances in the automobile market resulted in the emergence of the "hybrid" or bi-national product, a vehicle manufactured in one country and branded by a firm from another country. In this regard, particular attention should be paid when differing influence exerted by brand image rather from country of origin. The latter represent two different dimensions occurring in car purchase evaluation: on one hand, what has been introduced as COO image so far, should be now considered as COA, country of assembly, namely "Made in or assembled in or the country where the majority of the product's final assembly occurred in". Country of assemble (or country of manufacture) should not definitely confused with COD, country of design. The latter represents the dimension concerning the experience elements, strictly bound to brand image, that is basically evoked by brand-related stimuli (e.g., colors, shapes, typefaces, designs, slogans, mascots, brand characters) (Chen et al., 2011).

With this in mind, brand logos or label and sign attributable to know brand will be covered during the survey test. In order not to bias respondents, just a country-of-origin indication will be provided, without any misleading link to mark, country of design or brand experience. What

this methodology is supposed to investigate is in fact whether any traditional, alleged, or prejudicial productive manners attributable to a country, might influence customers' willingness to buy that country's products, without any reference to brand management, concerning values, marketing, or promotions.

On the other hand, for what concerns food category, things are kind of different. The most common dependent measures examined in studies concerning food and COO influence, include attitudes, evaluations, perceptions, preferences, willingness-to-pay, purchase intentions, and purchasing behavior. On the other hand, consumers' purchase intentions and purchase behavior are definitely two under researched dimensions, yet critically important, constructs in the food COO's literature. Results are mixed.

Relevance attributed to COO information seems not to influence everyone, depending on the country of belonging. For example, Turkish consumers switched their purchase intentions in favor of foreign-made chocolate from domestically made chocolate when presented with COO information (Camgoz and Ertem 2008). On the other hand, different examples of the opposite might be provided: purchase intentions of Mexican consumers unless the product was specifically associated with Mexican culture and tradition.

Differently from durable goods, non-durable ones are less subjected to the influence of COO, since the evaluation of an every-day-use product is based more on previous experience, on packaging semantic references, on impulsive consumption and marketing-based call to action. Moreover, since these kinds of good do not usually bear an important budget weight, customers feel less guilty in not evaluating other alternative or exerting too much effort in the assessment of products' features. With this in mind, one of the hypotheses of the study will underline the basic difference between the two categories, namely the fact that COO will be probably more influence in the case of durable good, rather than the non-durable's one.

1.1.3 Biases related to COO: focus on skepticism and patriotism.

Wide space has been reserved to the topic of ethnocentrism and so the way, in its characterization, it influences the consumption choices of consumers based on the country of origin of the products. Ethnocentrism is a term applied to the bias - whether conscious or unconscious - in which an individual views the world from the stance of his or her group, establishing the in-group as archetypal and status all other groups with regard to this ideal (Baylor, 2019).

As before explained, ethnocentrism is forcefully associated with an ever-evolving global trend. Rapid changes, development within the worldwide business surrounding, as well as

globalization, cause companies pressing to get involved in strategic alliances and offshore sourcing and manufacturing. In this regard, consumer ethnocentrism represents beliefs held by consumers about the suitability and morality of buying foreign-made products (Shimp and Sharma 1987). Most studies on consumer ethnocentrism have examined the connection of this construct to beliefs, stances, and intentions to shop for foreign-made products.

As well as ethnocentrism, patriotism is another tendency furtherly probed as a variable due to which consumers are biased against the foreignness of imported products. Foregoing examinations showed that loyalty and pride are important factors making clients favor goods produced at their own home country more than imports, when qualities of the products are comparable to those produced domestically (Darling and Kraft, 1977). Likewise, patriotic feelings influence clients on their comprehension and selection of domestic products too (Han, 1988), until the point at which home-produced products, despite the lower quality, are chosen over foreign ones (Wall and Heslop 1986; Sharma, and Shin 1995). Last, the concept of skepticism is strictly linked to the previous ones. It refers to the tendency of generally questioning one or another exemplar of others' knowledge, capabilities, or fairness. In this case, the definition of skepticism has been addressed in two different directions, on one hand, it's associated with the uncertainty customers, in developed countries, feel about developing countries made in products, on the polar hand, it's associated with uncertainty toward advertising claiming product's features attributable to country of origin. For what concerns the first implication, it has before been indicated how customers belonging to developed countries tend to be skeptical about developing countries' products, particularly in terms of quality and trustworthiness (Watson e Wright, 2000). An invert skepticism occurs for products and services originating from countries that are seen by consumers as high degree of development ones: higher perceived quality and trustworthiness are assigned in this case, when other information cues are not available, or customers are not well informed on their own (Bannister and Saunders 1978; Wang and Lamb 1983).

However, when skepticism is shown towards advertising claims it changes, in other words when disbelieving advertising claims becomes a general tendency: a stable, generalizable marketplace belief, one of the overarching propositions that compose a consumer's implicit theory of how the marketplace operates.

Related to this topic, a direct effect of country of origins on product evaluations has been found, and a three-way interaction between the country of origin, claim favorability, and ad involvement have been spotted as well (Peeter et al., 2005). Country of origin strongly influences consumer product evaluations in that it acts both as information variable and as

source variable, even in the presence of additional information presented by ad claim. Furthermore, it has been shown that more skepticism is focused on advertising for experience claims by customers: it is more important to have a high source of credibility when claimed attributes cannot be verified before purchase, in that consumers result being less skeptical of claims that are the most easily verifiable (Ford et al.,1990).

Claim substantiation, source characteristics, prior knowledge, and message variables, are situational variables affecting ad claim believability, which have been shown to influence persuasion; these latter four should play roles in determining acceptance of claims in specific advertisements.

Another situational variable that affects ad claim believability is product type, in the regard of which three categories of goods have been identified: search goods6, experience goods7, already mentioned, and credence goods8. For what concerns the categories of product chosen to lead the discussion, food and automotive, they will be considered as experience good: even if information can be previously gathered, the evaluation is actually based on experienced use.

1.2. COO from different points of view: focus on marketing strategies

A different point of view from which COO influence and exploitation can be analyzed is the one of marketing and communication. Many companies within the global market are used to address their products' country-of-origin as well as their company's one, in order to exploit the competitive advantage that might originate from that. In fact, companies usually try to rely on patriotic feelings and ethnocentrism of domestic customers, as well as positive stereotypes that foreign customers have about that country's products, to create an effective value proposition and positioning strategy among their competitors: a strong COO can translate into a competitive advantage for companies and can help them to win new markets. It depends on products' category and target market, but commonly COO of products is typically communicated through the phrase 'Made in ...' or by using origin labels. It is not just a matter of label, companies communicate COO also through explicit and implicit communication techniques and strategies, that vary according to the target customer's country of belonging, and associated culture and costumes. As already said, COO is an extrinsic product cue, definable as a product attribute on par with price, brand name or warranty. As the latter are, COO is a feature which is not

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[6] This kind of good has characteristics that can be determined by information search prior to purchase or use.
[7] Goods have characteristics that cannot be determined by searching but that require use experience.
[8] Such goods are too complex or require too much expert knowledge to be evaluated: their characteristics cannot be determined by either search or experience.

attributable to direct product performance, therefore operates differently from a physical product characteristic or an intrinsic attribute (Peterson and Jolibert, 1995). Since variety of products, in terms of physical and technical attributes, is broadly increasing due to globalization, technological improvements, as well as strong differentiation strategies, customers started to evaluate and choose products without basing on intrinsic product cues, as before. New reasons of choice have become an appealing packaging, a cool brand name or logo, or because they originate from a country with a positive image. It has been demonstrated that customers are ready to spend even more money for a branded product from a COO with a more favorable country image, translated as sign of high associated quality and used to avoid overload of information in decision process (Koschate-Fischer et al, 2012).

For example, German cars are perceived as very durable and reliable, Italian cars to be more aesthetic and American cars to have a better overall performance compared with cars with a different COO. These are examples of decision short-cuts customers are used to filter purchasing information through, in a conscious or un-conscious way, to reach a final decision in a more effective and rapid way. As mentioned before, if companies are aware on how COO information can be turned in benefits, they can achieve and address a higher value through their offers. The term strategy is typically used to describe long-term goals of a company (Chandler, 1997). In the present context, strategy is intended to be a synonym of (strategic) approach how to communicate the COO of a company or of its products to customers.

The use of the phrase 'Made in ...' is the most frequent and easiest strategy used to communicate the COO of a product. Obviously, companies are not always allowed to use this strategy, since "Made in…" label is protected by national law, regional law and/or regulations of public, semi-public or private organizations, and subjected to the fulfillment of a series of requirements. Moreover, this kind of label is also considered as mandatory in most countries, to make customers able to make a well-informed choice, as already explained within the previous paragraph. Anyway, when requirements are met, "Made in.." label enable companies to associate products to COO is an explicit way, without expecting customers to make the association of signs, words, or slogans with a country, on their own.

Another kind of label which is systematically used by companies, as well as protected by regulation, is the one concerning the quality and origins labels. Three are the different schemes that the European Union has identified with two Council Regulations, aimed to protect, and promote origin of quality agricultural products and foodstuffs, both for member countries of the non-member ones. Broadly know these three schemes comprehend: Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) or Traditional Specialty Guaranteed

(TSG), and are assigned under defined specifications, of course. Through these denominations, beside allowing the communication of country-of-origin as promotional information, institutions and companies can protect the origin connected to the food processing industry, ensuring credibility, reliability, allowing quality verification, as well as minimize externality costs of information searching for customers (Hobbs, 2004).

Besides the institutionally regulated strategies, there are a number of strategies that, since whose use is usually not legally regulated, allow companies to associate country referring elements to their offer, without the duty of communicating the company's actual origin. Other than the use of the phrase 'Made in ...' or of quality and origin labels, these strategies are usually used in combination with each other. A clear example is the one coming from the know phenomenon of Italian Sounding, that will be described later: company might transfer a sense of Italianicity by using an Italian brand name and the image of Pisa tower on the packaging to promote pizza, for example, and link it to the historical Italian tradition. On a hand, if this could be an effective way for Italian producers to communicate the origin of their products, in a way broadly understandable, on the other hand, since these marketing strategies are not regulated, anyone can promote his products as Italian, even if there're not. This latter companies are considered to follow a foreign branding strategy. In the abroad food industry, Italianicity as semantic sign is systematically used to communicate quality and gourmet features of food, even if the provided one is not produced in Italy and has not any country quality certifications. The phenomenon is not exclusively Italian but has remarkable economic consequences on "Made in Italy" product exportations, for example.

Another strategy which is systematically used by company is to include in the company name the name of the COO or word, name or elements stereotypically associated with the country. For what concerns the first strategy, some companies embed or use as brand name the name of the country they want to refer to, of a region, a city, or any related modification, for example, adjectives. While the second one is referred to those companies using certain stereotypical names of person and/or elements in their company name, for example animals or monuments: the matter is whether is perceived as typical to the COO in the target market, although the combinations of names and words does not actually make sense (White III et al, 2007). Too better underline the association, some companies are used to combine the two COO strategies of embedding already mentioned, and the use of the COO flag: Alitalia and Air France, are examples [Image 1].

The last two typical strategies that exploit competitive advantage related to country-of-origin, concerns the use of COO language as well as famous or stereotypical people from the COO.

The two, because are often used together, are linked to each other. In placing famous stereotypical people from the target COO, speaking its language to, means attribute stereotypes to the characteristics of a person based on their group membership (Hinton, 2000) and can be related to the person's look, behavior, clothes, and other elements.

Figure 2 - Alitalia and Air France's brand names embed flag chromatic composition.

An example is the 2011 TV commercial of Giotto, a chocolate cookie brand by the Italian company Ferrero. The company chose Elisabetta Canalis as ambassador for the launch of the product in Germany, not just an Italian actor and model, but somebody with a typical Italian name. Other characters, called with Italian names as well, were all dark-haired, a feature considered typical for Italian men from abroad. Lastly, the TV commercial is completely in Italian with German subtitles, with a clear Italian sounding brand name 'Giotto', covering the missing step in fulfilling the COO dimensions. After the mentioned launch the company conducted a survey showing that the target under study clearly understood the origin of the product and associated positive attitudes toward the product due to its Italianicity.

In conclusion, the last strategy that will be cited is the one of typical landscapes or famous buildings from the COO. Some of the most seen examples targeted at communicating the COO of a product are landscapes such as the Corcovado with the statue of Cristo Redentor, or even buildings or monuments such as the Coliseum, the Statue of Liberty, or the Eiffel Tower. The goal is the same: allow customers to quickly associate a product to its COO. The Swiss chocolate brand produced by Kraft Foods in Bern, Toblerone, packs its products in boxes shaped like a mountain, showing a picture of the Matterhorn, a Swiss mountain in the Alps, and if it is not enough, even a bear can be spotted on their mountain logo, which is the heraldic

Figure 3 - Toblerone chocolate bar using natural elements and landscape to link to its COO of production.

animal of the brand's home city. Moreover, the chocolate itself is shaped similarly a mountain range. [Image 2]

1.2.2 Legal concerns and regulation

Recent economic literature has underlined the importance of institutions to economic development. Institutions, seen as "the rules of game"[9], might be classified as *formal* institutions, as laws and rules, and as *informal*, as taboos and customs. Although institutions perform many roles in society, one of the key ones is aimed to reduce opportunistic behaviors. The concept of opportunism is namely linked to a self-interest seeking with guile and includes in practical terms: violating contracts and expropriating the rent or profit of partner firms' specific investments, as well as, providing products of low quality without the knowledge of consumers to increase profit (Williamson, 2015)

With the purpose of regulation, strong legal institutions have also been found to protect country-of-origin as trademark and customers from not well-informed choices. As already mentioned before, different kinds of measures ensure the protection and prevent opportunistic behaviors to spread. Unfortunately, not much previous research on the country-of-origin effect included legal institutions in measuring country image (Lin et all., 2019). In fact, authors have been usually focused on studying the country-of-origin effect on products, brands, sales volumes, from the point of view of both developed and emerging countries, as presented previously. The figured out huge gap in perception of product quality, reliability, and trustworthiness, occurring when considering different kinds of producing (and purchasing) country, has been attribute to levels of economic development and technology in the countries studied rather than to institutional difference, too. An institutional theory of the image of the country, arguing that strong legal institutions at level curb the opportunistic behavior of companies, has been theorized. Through their actions, institutions can increase the reliability of home-company, and therefore the image of the country products and brands. The law, as well, is predicted to punish opportunistic behavior, overcome market failure, enhance market efficiency, and protect consumers.

Taking cues from the previous paragraph concerning the protection of "Made in.." labels and quality ensuring certification, the following discussion will be aimed to provide an overview

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[9] North, D. (1990), Institutions, Institutional Change, and Economic Performance, Norton, New York, NY.

on how COO is protected in European Union. Since labeling requirements differ from country to country, this discussion will provide a picture of the regulatory framework applied in Germany, the United States, and Italy.

First, it should be premised that the primary reason-of-existence of "Made in.." labels is that legislators want to be able to immediately identify products from certain countries, in the case of import, in case of alleged export, to ensure that customers know the country in which the product was produced/assembled and may be able to boycott products from certain countries, if necessary. In the European Union, the legislation for the use of the phrases 'Made in ...' is not clearly defined and is partially affected by the Madrid protocol, national trademark laws, customs legislation, and competition laws. In 2005, the Commission of the European Communities presented a proposal for a Council Regulation on the indication of the country of origin of certain products imported from third countries, adopted in 2010. On the other hand, at the time of adoption, a committee of European partners emphasizes that labeling the COO of imported products should not be legally required for all member countries, it has had to remain voluntary. The mentioned committee was composed by a series of illustrious organizations[10], stating that, along with their evaluations, "Made in ..." for imported goods arriving from third countries in the EU would not give reliable information to the consumer and would have been a clear statement of the European Union against free trade' (British Chamber of Commerce et al, 2010). "Made in.." compulsoriness is voluntary, nowadays. Usually, if not prescribed by national laws, companies usually use 'Made in ...' marks because they believe that it would positively influence the image of the product and therefore increase sales. As matter of fact, it actually does. While the country image can rarely be influenced by a single company, on the other hand companies from all industries and business sectors benefit from a country's good reputation and suffer from its poor reputation. Germany, the United States, and Italy's institutional systems of protection are analyzed and concerning examples of national key industries will be given.

From the German side, there is not any controlling institution asked to ensure accuracy of the use of 'Made in Germany', for what concerns export of products: the producer of a German

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[10] The committee was composed by: British Chamber of Commerce, the Danish Chamber of Commerce, the Finland Central Chamber of Commerce, the Association of German Chambers of Industry and Commerce, the Assembly of French Chambers of Commerce and Industry, the Cyprus Chamber of Commerce, the Foreign Trade Association, the Federation, of German Industries, the Federation of German Wholesale, Foreign Trade and Services, the International Chamber of Commerce, the Swedish Chambers and the Austrian Economic Chambers.

product can decide whether to use the mark. However, on the other hand, German rules are strict when concerning the incorrect using of 'Made in Germany' label. As a matter of fact, steps and requirement must be compulsory fulfilled since 1887, the year of 'Merchandise Marks Act' proclamation. The latter is British act aimed to force Germany to clearly state the origin of its products when German products were considered as low-quality ones. What was supposed to be a warning became a free recommendation for German products, since they are nowadays a mark of quality and reliability (Conrad, 2006). National key industries are in the past and present are mainly the automobile (Fechtner, 2006), chemical, mechanical engineering ones. With this in mind, the German COO's power in automotive industry will be tested during the survey, to understand the extent to which respondents will rely on COO in this kind of purchasing situation.

Moving forward to the USA, the Federal Trade Commission is the agency in charge of ensuring commercial and standards compliance. American regulation states that products advertised as 'Made in USA' are required to be all made within United States' territories but, at exception of automobiles, textiles, wool and fur products, the use of 'Made in USA' is voluntary and not required by law for the other kind of products. As easily guessable, key American industries essential for the development of USA's COO image in the past and present include mainly the financial, automobile and consumer electronics.

In conclusion: Italy. The use of 'Made in Italy' is regulated by several laws which require that the entire process of design, development, production, and packaging should take place in Italy to achieve the Italian label. Italian regulation is more restrictive than German and American ones and provides for administrative sanctions starting from 10 000 of euros when the label is used incorrectly. Key national industries thank to which Italian products' COO is broadly recognized as well as valued are fashion and textile, food processing, and automobile industries. The notoriousness of Italian tradition in food industry will be used during to test the influence of COO variable in purchasing situation concerning food, in particular oranges.

1.3. Conclusions.

It has been shown what decision-making is based on, which is the role that country-of-origins occupies, and according to which classification. Subsequently, COO has been introduced and investigated both as a variable and effect, reporting the phenomena that take cues from it: bias, skepticism, and ethnocentrism. Conditions according to which COO tends to matter the most and the less have been presented in the third paragraph, as well as the state of arts concerning

food-and-automotive-centered studies, anticipating a sort of literature review that will be furtherly recited in the following chapter.

The second chapter is indeed focused on literature review of studies and methodologies that make this discussion worth of an existence. The review will present single-cue analysis that have been conducted starting from 1960, and how multi-cues ones have taken their place, as superior in terms of relevance and reliability. Results and limits will be the focus.

On the other hand, tests regarding already the mentioned categories will not be a specific focus, but will naturally take part in the discussion, representing the two most representative categories, in terms of COO. The following chapter, more than this latter one, will give meaning and justification to the third chapter and the analysis introduced from that. The survey structure, methodology and questions will be calibrated on the base of the previous academic experience, in order not to create bias and to give to concerning literature the best contribution possible.

Through the next chapter, a review of what has been theorized within the last years on COO phenomenon, is aimed to be provided: multiple profiles of COO are reported, focusing on worth dimensions, and opening new flows of possible further research.

Chapter 2

2. Literature review on the topic.

It has been already described as both the decision-making process and purchasing one are centered around customers facing a wide range of possibilities, offers, and information. The latter are the cues on which preferences and decisions are based. Usually, the relevant information is conveyed by pre-defined sources: brand, package, as well as price, and manners of communication. Another extrinsic variable worth of consideration is COO, as a marker of quality and symbols associated with a product. It has been shown how COO might represent a predominant competitive advantage in products commercialization, and that's the reason why it rose such a huge interest in being investigated both within the academic and managerial fields. Moreover, the increased level of competition that developing countries are sustaining, with the evolving globalization mindset, makes the COO practically topic up to date. On the other hand, although the latter has been already deeply investigated, research has not come up with a conceptualization of one mind on COO effect translation, and further examinations have become mandatory.

Over the past sixty years, academic literature has been counting for more than 1000 publications, by 2005, and over 700 later published. Starting from 1963, the first studies on the COO phenomenon have been characterized by a single-cue kind of approach, namely a methodology studying the effect of country-of-origin on customers' choice without considering other variables able to influence the decision-making process. Later, thanks to research always more refined, researchers shift to a multi-cue approach: the extent of influence exerted by COO is analyzed taking into account *other variables*, therefore studied in relative terms rather than in absolute ones. Mentioned other variables are a variety of factors influencing customers' decisions within the purchasing process, according to product category, context of purchase and expectations. The review will be held following a chronological line and basically divided in two according to the two macro-periods: single-cue studies, from 1965 to 1982, and multi-cue studies, from 1982 to present.

Recently, since globalized and competition are world dynamics are getting stronger as already said, country of origin concept as changes as well, as deeply explained before. Nowadays, the characterization of origin has invested of a strategic connotation, clearly aimed to be exploited as a marketing lever delivering much-needed competitive advantage. As matter of fact, the concept of country of origins cannot be considered as a static characterization, not in its substance nor definition. Country image, brand origin, place of origin are just some examples

of reformulation of the concept of origin, output of interesting new lines of research, about which the discussion will reserve a mention later on.

2.1. The single-cue approach.

Focusing on the first kind of approach used to investigate the COO influence, Schooler has been the first author who analyzed tangible effect of COO on customers' behaviors. His first study on the topic marks the beginning of a line of research lasting almost 20 years. The study in terms (Schooler, 1965), was concerning of the qualitative evaluation of some products' categories, identical to each other, with a fake COO label, in regard of which a group of students were asked to state a preference. In particular, Guatemalan students expressed a positive opinion on the product coming from their country, due to the phenomenon of patriotism and country-belonging, penalizing the one originating from Costa Rica and El Salvador: between these two countries and Guatemala feelings of hostility were present.

Furthermore, in the following years, research on COO confirmed the existence of stereotypes biasing customers when assessing foreign productions, as well as home-coming ones. Preference toward national products resulted to be evident, even if not structural: they can be converted through the right marketing push (Reierson, 1966). Particularly interesting was the contribute of Gaedeke and his team: in 1973 they figured out that level of development of a country might heavily influence customers' perceptions. The study proposed, provides evidence on how USA's products are definitely preferred on those coming from developing countries, or countries whose economies are less evolved, until the point at which it has been suggested not to use the label of national origin, but a more general region-referring one. Negative prejudice, as well as skepticism, have been already anticipated in the previous chapter, and represents one of the main cases in point when talking about COO effect.

COO image is really not a static concept, but actually dynamic and changing, which for all intents and purposes is quite significant. In particular, "Made in.." represents a snapshot in which reputation, skepticism and stereotypes convert, making people filter products' evaluation, associating it to a specific country in a fairly big way. (Nagashima, 1970, 1977) It is an image associated to a specific country, namely to a sort of specific historical context in a particularly major way. Further contributions give credit to the latter assumption, extending the geographical radius to Indian, English, and Russian products and marketplaces (Krishnakumar, 1974). On the other hand, besides changes of customers' preferences over time, the mutability of perceptions customers mostly have in respect of home-country-made products for the most part is difficult to actually be tracked (Bilkey e Nes, 1982).

Without any kind of doubt, a considerable value should be attributed to this first line of studies, worth of a mention as forerunner of an abundance of literature on COO both dotting its reference period and the next years. On the other hand, it cannot be exempted to note some important points of weakness commonly shared by these first studies. Non-significance of samples implied is one of them, since a large use of students, a specific category of people rather than a wide sample of customers. Moreover, the majority of the investigations are centered around the USA's realm, and just a few cases concern oriental and central America's countries. With this in mind, academic literature underlined the lack of cross-cultural studies enabling a wider generalization of analyzed results. (Cattin et al., 1982).

Besides the reliability of the sample, from a first review of the existing literature, in 1982, it emerged that all the articles published up to that moment showed relevance of a particularly very strong influence of the country of origin on the product evaluation process. As a matter of fact, it is likely that these results specifically benefited from an overestimation of the COO effect, caused by the *single-cue* nature of the methodology adopted. These mentioned limits have been progressively overcome by subsequent studies, summarized in the following chapter.

2.2. The multi-cues approach.

First studies on COO tend to overestimate its effect, as said. This has been attributed to the fact that country of origin is the only information cue on which respondents based their evaluation. In fact, the more the attributes included are the more moderate the effect of influence will be. Studies including up to 13 information cues, namely attributes of the offer proposed, have shown that not a big influence is assigned to the variable (Johansson et al, 1985).

Ettenson et al (1988) conducted similar research: through a conjoint analysis they related the responses obtained through a questionnaire on the preferences of six different qualitative variables, which referred to garments, before and after the launch of a promotional campaign on "made in USA"; also in this case the weight of the COO literally was limited compared to the price and other qualitative variables. Thanks to the meta-analysis elaborated by Peterson and Jolibert (1995) on 52 publications concerning the COO effect, it was possible to quantify the differences between the two different approaches[11], in a very big way. As for all intents and purposes regards the evaluation of consumers on the perceived quality of the product, in single-cue studies, the average effect of the country-of-origin accounts for 30%, while in multi-cue studies this effect is reduced to 16%. Even more interesting is the result obtained considering

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[11] The two approaches to which the line is referred are single-cue and multi-cues approaches.

the effect of the country of origin on purchase intentions: even in this case the effect is reduced, passing from 19% to 3% when the origin literally is evaluated in combination with generally other attributes. A more recent study (Usunier, 2002) tried to explain the reasons why the COO effect is pretty much less significant than initially assumed. The author argues that, in order to have any influence on the consumers' purchasing process, it is first necessary for consumers to generally consider the information on the origin of the product relevant to their choice - and this varies according to the category of product considered. Furthermore, the importance specifically attributed to the origin of the product must be such to induce them to invest time and energy in researching and comparing alternative sources in a major way. In other cases - i.e. when there is no high psychological involvement in the purchase phase of certain types of goods, the information about the country of origin is often overshadowed by the preference for other characteristics such as price, brand, guarantee – considered as *easily catchable*.

If the impact of COO is somewhat mitigated by this second set of studies, they nevertheless attempt to analyze the phenomenon in greater depth by breaking it down into its various components and relating it to the many variables associated with the product, the consumer, and the economic reference environment. Some authors (Obermiller and Spangenberg, 1989) trace the process underlying the relationship between COO and the behavior of foreign consumers to three main components that interact with each other: the cognitive, affective, and normative spheres.

In the *cognitive* component, the country of origin (or rather its image) acts as an indicator of the quality of the product and its individual characteristics (e.g. reliability, resilience, design, etc.). In the absence of more detailed information about the level of quality of the product, the consumer makes a subjective assessment by replacing this information with what he knows about the country of production as a whole or in the particular sector of the product. More specifically, information about the country of origin of the product can have two effects (Han, 1989): the halo effect (halo construct) and the synthesis effect (sum construct). The halo effect occurs when consumers have had no direct experience with goods from a particular country; they have only a general picture of that country (e.g., economic, social, political, cultural information, etc.) on which they base their pre-purchase evaluations. The synthesis effect, on the other hand, results from previous experience with products from that country, which, through a process of abstraction, allows the consumer to make a more personal evaluation.

The *affective* component occurs when the product's country of origin can evoke an emotional value in the consumer (e.g., after a vacation spent in that country) or a symbolic value (e.g., when the country's image is associated with a certain national identity or social status).

Finally, in the regulatory component, the *normative* one, the purchase is associated with the willingness to support or not the economy of a particular country, depending on the extent to which one shares its policies and behavior (e.g. boycotting the products of some countries as a sign of protest).

There are numerous variables that influence the intensity of the effects of COO. In this regard, there are interesting empirical studies conducted by a variety of researchers. For the sake of simplicity, these variables can be grouped according to the classification formulated by Valdani and Bertoli (2010), according to whether they refer to aspects:

· that qualify the consumer,

· that concern the product and/or the country with which it is associated.

· that they are associated with the brand.

Regarding the first category, the aspect most studied in the literature certainly concerns the demographic and cultural characteristics of the buyer (age, gender, income, level of education, degree of ethnocentricity, etc.). Numerous studies now seem to agree that there is a direct relationship between the level of income and education and the preference for foreign products, while this relationship tends to be reversed for age. This can be explained by the greater propensity of young, affluent and educated people to interact with cultures other than their own (Shimp and Sharma, 1987; Smith, 1993; Bailey & Pineres, 1997; Ahmed and D'Astorus, 2004). According to the latter, relevant results coming from this study will be analyzed through a demographic view, too. There still seems to be no clear opinions about the effects of consumer gender: some studies claim that men are more likely to buy national products (Johansson et al., 1985; Ettenson et al., 1988), and studies stating just the opposite (Usunier, 2002), and those who had previously found no apparent correlation (Anderson and Cunningham, 1972).

The patriotic (Han, 1988) and ethnocentric (Shimp and Sharma, 1987; Brodowsky, 1998; Balabanis and Diamantopoulos, 2004) attitudes of consumers are also frequently highlighted in the literature, who tend to prefer national products to others regardless of other characteristics. This tendency may lead the buyer to overestimate the quality of domestic products and underestimate that of foreign goods (Watson and Wright, 2000). The relevance of this phenomenon was confirmed in a recent survey that measured the purchase intentions of a sample of U.S. consumers with respect to automobiles - manufactured either only in the U.S. or only in Japan or both (Brodowsky et al., 2004). The results showed that there is indeed a group of ethnocentric American consumers who are decidedly more oriented toward buying cars designed and built in their own country. The level of ethnocentrism in a country therefore has a strong impact on the marketing strategies that foreign firms must adopt if they are to enter

that market: when the level of "resistance" to foreign production is high, companies that do not want to give upon the segment of ethnocentric consumers, must reduce the emphasis on the origin of the product and target other qualitative features of their offer (Silvestrelli, 2006)

From some studies, the importance of the effect of COO on consumer behavior varies depending on the stage of the customer's purchase decision process. In particular, the importance of the country of origin tends to decrease as one moves from the qualitative perception of the product to the actual purchase intention. It is possible to explain these differences by considering the different breadth between the concepts of perceived quality and purchase intention, the latter being influenced by a larger number of variables (e.g. price, warranty, disposable income, availability, etc.) that ultimately dampen the effects of COO (Verlegh and Steenkamp, 1999). As seen, the results of the analysis of the intensity of the COO effect can change considerably with the variation of the socio-demographic characteristics considered, which complicates a possible generalization to all consumers in a country (Sharma et al., 1995; Wetzels et al., 1996).

Another issue that deserves attention concerns the relationship between the country of origin and the life cycle of the product. It has been shown that in marketing campaigns, the reference to the origin of the company's product is more emphasized in the early stages of the life cycle, especially in the introduction phase, while it loses importance in the growth and maturity phases (Niss, 1996). The main reason for the greater emphasis on COO in the product introduction stage is that the focus on the country of origin is more immediate compared to a brand-centered strategy and allows for a faster return on sales. Once the product has gained a certain level of awareness in the target market, the company will gradually shift to a marketing strategy that focuses on leveraging the brand.

Almost all studies on the impact of COO have dealt with tangible goods without adequately considering the service sector. A literature review focused on this aspect revealed that only 19 specific articles have been written on services up to the year 2000 (Javalgi et al., 2001). It appears that country of origin information also affects this sector and that the implications are similar to those for physical goods. The paucity of studies on this topic and the rapid development of the service sector in the last decade[12] make further research in the marketing literature more urgent.

A final aspect that has been addressed several times in the studies of COO concerns the relationship between product brand and country of production. The importance of brand in the consumer evaluation process in terms of interaction with the origin of the product has led a

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[12] Bank and insurance sector are examples.

considerable number of scholars to study this issue from different angles. Some authors have questioned whether brand has more or less influence on the consumer evaluation process than the country of origin of the product. Han and Terpstra (1988), Wall et al. (1991) and Tse and Gorn (1993) concluded that country of origin has the most influence. However, other scholars (Ahmed et al., 1994; Verlegh et al., 1999) tend to consider the impact of the brand and/or the country from which the product originates to be more relevant.

In their study, Johansson and Nebenzahl (1986) examined changes in the qualitative perceptions of a sample of U.S. consumers following the relocation of production of four car brands (Buick, Chevrolet, Honda, and Mazda) from the country with which the brand is associated (the U.S. for the first two and Japan for the others) to more economically advanced or backward countries. The authors found that the shift in country of production had a significant impact on consumer evaluations. In further research, Nebenzahl and Jaffe (1996) confirmed that the perceived value of a particular brand is strongly influenced by the country of manufacture. As a matter of fact, brand awareness may also play an important role. Schaefer (1995) explained how the effects on consumer confidence of knowing the place of origin of a product are magnified when the brand is little known to consumers. When consumers are familiar with a particular brand, the weight of the COO effect tends to decrease.

More recently, the links between brand and country of origin have been analyzed from a new perspective; more emphasis has been placed on what the brand is capable of evoking in the consumer's mind at the level of the origin of the company and its products, rather than on the mere place where it was produced. Gradually, a new concept has emerged, that of brand origin, which in a way tries to overcome the traditional paradigm COO (Thakor and Kohli, 1996).

2.3. Country of Origin and Globalization.

Defining the concept COO has become particularly difficult in recent years as the dynamics typical of an increasingly globalized economy have intensified (Phau and Prendergast, 2000). The increase in international trade, the intensification of competition between countries, the pursuit of economies of scale and cost, are all factors that have led multinational companies to reshape their production and supply strategies in favor of fragmenting operations in several countries, making it increasingly difficult for consumers to determine the exact origin of products (Li, Murray and Scott, 2000; Phau and Chao, 2008). This phenomenon has led to the so-called hybrid products, i.e. goods that originate from two or more countries that do not necessarily include the country where the firm is located (Han and Terpstra, 1988; Hamzaoui and Merunka, 2006). The term "country of origin", which implicitly assumes that

manufacturing and design processes take place in a single country, can no longer be understood in its original meaning, but has a multidimensional value that can incorporate the different facets of modern production iters. Therefore, in addition to terms such as "made in" or "assembled in", the terms "designed in", "engineered in", "manufactured in" and "parts supplied by" should also be considered (Han and Terpstra, 1988; Chao, 1993; Ahmed and D'Astorus, 1996; Chowdhury and Ahmed, 2009).

In this context, the mere origin of the product, even if identifiable, tends to be less important in consumer evaluations given the complexity of the underlined production processes. As a result, many scholars have abandoned the idea of the country in which the product was actually produced and have instead focused on the consumer's perceived origin based on the associations they make with the product or brand (Johansson et al., 1985; Thakor and Kohli, 1996). In addition to the above-mentioned redefinition of origin, scholars are moving towards an extension of the model COO from referring only to the country, but more generally to any geographical region, from cities to districts, as long as they are able to convey distinguishing characteristics in consumers' perception (Lentz et al., 2006; Andehn and Berg, 2011).

According to another view, the studies of COO position themselves towards concepts such as product-country image (PCI) (Papadopoulos and Heslop, 1993; Liefeld, 2004) or, more recently, country image (Roth and Diamantopoulos, 2009), understanding the importance of the reputation that a country possesses and is recognized by international consumers in a particular product sector.

Moreover, given the specifics of the current economic context, it is therefore necessary to break down the COO effect into several dimensions. In the literature, there is still no agreement among researchers on how to divide it (Patel, 2010). Some authors (Quester et al., 2000; Chao, 2001; Insch and McBride, 1998; 2004) have divided COO into the country of design (COD), the country of parts (COP) and the country of assembly (COA); others (Chen, 2004; Ulgado, 2002; Thakor and Lavack, 2003) distinguished the country of brand (COB) from the country of manufacture (COM); finally, Leila and Merunka (2006) considered the dimensions of the country of design and the country of manufacture. Regardless of the type of classification chosen, the different dimensions that contribute to the formation of the origin of a product stand out clearly and, one by one, have different effects on the qualitative perception of consumers during the evaluation process (Li, Murray and Scott, 2000). An outline of the different elements of the COO is shown in Table 1.

A similar breakdown has recently been presented for the area of services, which is often not adequately addressed in surveys on COO (Veale and Quester, 2010). The authors identified

four dimensions that can be attributed to the concept of origin of international services: the country of origin of the brand (COB), the country of origin of the place where the service is provided (COSD), the country of birth of the person providing the actual service (CPI) and the country of training of the service provider (CTI) [Table 1].

Table 1 – COO's Dimensions

Country of design (COD)	Design country effect. "The country where product was conceived and engineered" (Insch and McBride, 1998)	Firms can choose to locate their R&D centers in a different country than the one of production. This is the case, for example, of the Chinese giant in the household appliances sector Haier which recently moved the design center to Italy to leverage the positive image possessed by Western high-design products.
Country of assembly (COA)	Effect of the country of assembly. "The country where the majority of the product's final assembly took place" (Insch and McBride, 1998)	Companies from low-reputation countries can move their assembly business to another country with a higher image, thus overshadowing information about the actual manufacturing location.
Country of parts (COP)	Effect of the country from which most of the components of the product are derived. "The country where the majority of the materials used in product come from and / or the components parts are made" (Insch and McBride, 1998)	In some cases, particular importance is given to the origin of the raw materials of a product. It is known, for example, that the production of the special Coca Cola blend is entirely maintained in the American plant in Atlanta. The company sells it to its bottling companies around the world, linked by franchising contracts, which are responsible for transforming it into a finished product.
Country of manufacture (COM)	Effect of the country of manufacture.	Some companies may find it convenient to carry out their production activities in countries other than their own. A well-known

	"The country where the product is manufactured" (Hamzaoui and Merunka, 2006)	example is that of the American Nike which moved production to Asian countries without particular negative effects on its reputation; a strategy of this type is generally advisable only for companies with strong brands that can easily offset the negative effects deriving from the origin of production.
Country of brand (COB)	Effect of the country of origin of the company/ brand. "The country in which the brand name originated" (Bae and Lee, 1999)	COB refers to the country in which the brand was born. This, for various reasons (eg following acquisitions or mergers), may not coincide with the country where the company's registered office is located; for example, the COB of Parmalat or Gucci remains Italy, despite the fact that the ownership of the two companies has passed into French hands.

Four Dimensions – Area of services

Country of brand (COB)	Effect of the country of origin of the company / brand. "country of origin of the brand"	As with manufacturing companies, also in the service sector the COB represents the country where the brand originated.
Country of service delivery (COSD)	Effect of the country where the service is provided. "Country of origin of where the service is delivered"	Depending on the country in which the service is provided, the perception and needs of consumers can differ considerably. This gives rise to different judgments on the quality of the same service offered.
Country person image (CPI)	Effect of the country of birth of the service provider. "Country of birth of the person providing the actual service"	The CPI refers to the country of origin of the individuals of the company providing the service. For example, many service sector companies choose to serve the customer with

		local staff, in order to guarantee a greater degree of empathy, safety and adaptability.
Country training image (CTI)	Effect of the country where the service provider was trained / trained. "Country of training / education of service provider"	The CTI is particularly relevant in those activities that require specific experience and skills, such as in the fields of education or consulting.

Table 1 - COOs' conceptualizations

From an empirical study conducted with Australian consumers who had a television set as a reference product, it was found that the country of design is the component of COO that can exert greater weight on the consumer's qualitative perception (Li, Murray and Scott, 2000). A second study, specifically related to industrial goods, reaches the same conclusions and confirms that the country of design is more influential than the effects of the country of manufacture or assembly (Bradley, 2001). Moreover, it seems that the negative effects of a wrong choice of the country of design cannot be fully offset by the positive effects of the country of assembly or the location of the firm. The opposite is true: firms located in countries that do not have a positive image abroad (e.g. developing countries) may benefit from moving their R&D activities, and sometimes even their own R&D activities, to countries that are considered economically and qualitatively superior (Li, Murray and Scott, 2001).

However, not all scientists seem to reach the same conclusions. Quester et al. (2000) argue that consumers tend to attach greater importance to the country of origin of product components than to the country of design and the country of assembly, the latter being equally important. Chao (2001) adds that consumers respond more positively when the country of components and the country of assembly are the same.

However, in a recent study, Hamzaoui (2010) assessed the impact of the country of manufacture and the country of design, differentiating them according to the technological complexity of the product. He concluded that consumers tend to attach more importance to the country of origin of the product than to the country where it is manufactured, both for complex products. The author also highlights that the country of design only has a significant impact when the product has a high symbolic importance. When the country of origin of the brand and the country of manufacture are the same, the information about the place of manufacture has no significant impact on the consumer's choice because it is redundant and superfluous (Hui and Zhou, 2003; Thakor and Lavank, 2003). On the contrary, if there is a contradiction between the country of the brand and the country of production, and in particular the country of production is more

successful than the country where the company is located, there will be a negative effect, which is much larger in the case where the company has a low brand equity (Tse and Lee, 1993; Hui and Zhou, 2003). The authors conclude that the image of the brand can prevail over the image of the country of manufacture only when the company has a "strong" brand.

The work of Ulgado (2002) also highlights the power of the brand in reducing the negative effects of moving production to a country that is frowned upon by consumers, adding that the majority of the population tends to rely on the country of the brand rather than the country of manufacture when evaluating a product. This is more so the more product features the consumer has to consider at the purchase stage (Ulgado and Lee, 1993).

The same opinion is shared by Verlegh et al. (1999), who have shown through an empirical study that a little difference occurs in the intensity of the COO effect between products developed and manufactured in the same country and products developed and manufactured in different countries, since consumers often do not know well the place of origin of the product and make their decisions mainly based on the image of the brand. To sum up, reviewing the studies dealing with the impact of COO on hybrid products, it is clear that there is still no unified view of the phenomenon in the literature: some authors consider the effects emanating from the country of manufacture to be more important (Han and Terpstra, 1988; Wall et al, 1991; Tse and Gorn, 1993); others tend to believe that brand-oriented policies are more effective. The latter trend is the path that has been followed more recently (Verlegh et al, 1999; Ulgado, 2002; Hui and Zhou, 2003; Srinivasan et al, 2004) .

2.3.1 Customers' perception: from COO to brand.

One of the most important issues in contemporary studies of COO is certainly the conceptualization of the term "origin". As already seen, with the advent of globalization and the consequent tendency of companies to divide the production process into several geographical areas, the origin of a product has become increasingly ambiguous and difficult to define, to the extent that sometimes even the validity of COO studies is questioned (Phau and Prendergast, 1998). However, by ruling out a possible erosion of the COO effect in the current global competitive scenario, it is necessary to reconsider its nature and evolution over time in order to identify a sound interpretive paradigm of the phenomenon. In the recent literature, two ways have been followed to address the problem (Andehn and Berg, 2011): the first, referred to as the "deconstruction strategy", aims to break down the origin of a product into a series of sub-concepts (COM, COB, COA, COD, COP) that deal with the individual explanation of its impact on the consumer. The second strategy, referred to as the "association strategy", tends

instead to consider the associations made by the consumer between a product, service, brand and country of origin. In this second approach, the physical place where the product was manufactured, designed, or assembled becomes less important, since what really matters is the perception of the country of origin, which becomes fixed in the consumer's mind, namely country of association. In other words, a first group of research focuses on the impact of the nationality of the product, which is considered as a qualitative attribute of the same (i.e. it examines the cognitive process of the consumer), while a second group focuses more on the impact of the origin of the product as it is perceived in the consumer's mind (affective and normative domain) (Dmitrovic and Vida, 2010).

The belief in the superiority of the land of the mark over the land of the manufacture has thus become increasingly prevalent among scholars. According to the proponents of the association strategy, brand image seems to be the most appropriate to create and convey associations with the origin of the product in the minds of consumers (Papadopoulos and Heslop, 1993; Samiee, 1994; O'Shaughnessy and O'Shaughnessy, 2000; Josiassen and Harzing, 2008). Moreover, taking another conceptual step in terms of considering the simple country of the brand as a dimension that can best explain the phenomenon: the perspective of the surveys of COO must move from production to consumption (Andehn and Berg, 2011). In other words, it is not so important to be concerned with the exact place of origin of the company, as it is plausible that consumers are not fully aware of it and rather base their decisions on their personal beliefs, derived from direct or indirect experiences with the product and its brand. A fundamental contribution in this sense was made by Thakor and Kohli (1996) who coined the term brand origin in their paper and defined it as "*the place, region or country to which the brand is perceived to belong, by its target consumers*". The two scholars pointed out that this perception may differ from the place where the product with which that particular brand is associated was manufactured or where the company is based. It is well known that consumer perceptions do not always match reality, for a variety of reasons: ignorance, lack of interest, insufficient information about the origin of a particular brand or the will of the same company trying to disguise the origin of its products when this can be negatively judged by the market. Thus, there is a problem of consumer awareness (Samiee et al., 2005; Balabanis and Diamantopoulos, 2008; Samiee, 2010), which can, however, be used by marketers to their advantage by developing appropriate advertising and communication policies aimed at strengthening the association between a high quality product and the brand image, so that the country of manufacture becomes almost irrelevant (Clarke et al., 2000). However, it should be noted that while the cognitive aspect is becoming less important in a

globalized world, the recent economic crisis has made consumers more aware of the fact that they can support the domestic economy by buying local products (regulatory component); therefore, in such an environment, people are increasingly pushed to choose national productions, thus making the country of production more important again (Dmitrovic and Vida, 2010).

To reinforce this association, various tools can be used in addition to the classic "made in" label (O'Shaughnessy and O'Shaughnessy, 2000; Insch and Florek, 2009): The inclusion of strong references to the company's origin in the brand name, as is the case, for example, with many companies in the air transport sector (Thakor and Lavack, 2003; Usunier and Cestre, 2007); the adoption of images that symbolize a particular country in the collective imagination, such as the colors or stylized shapes of the respective flags; the choice of a particular language in the brand name that is likely to quickly evoke the country or geographical region referred to (Harun et al., 2011). Some origin effects can also be spontaneously evoked by consumers by associating a country with certain product categories without any action on the part of the marketer (e.g. pasta for Italy and sushi for Japan) (Usunier and Cestre, 2007). In the context of consumer awareness, scholars often make a distinction concerning confusion about the origin of the brand in terms of local or foreign. In this case, it is referred to as brand origin confusion (BOC), and recently its impact on consumer purchasing behavior has been studied (Zhuang et al., 2008). It now seems clear that consumers in more developed countries tend to prefer domestic brands over foreign ones (Albaum and Peterson, 1984; Netemeyer et al., 1991; Sharma, 2011), while this relationship is reversed in emerging countries (Batra et al., 2000; Steenkamp et al., 2002; Wang et al., 2004; Sharma, 2011), especially for brands in the luxury sector (Zhou and Belk, 2004). When the BOC effect is high, companies can take advantage of this situation to use brand names that are reminiscent of a local or foreign origin, as the case may be (Zhuang et al., 2008).

Recent studies have further developed the concept of brand origin by presenting a more advanced paradigm for evaluating the COO effect, called the culture of brand origin (COBO), which puts the accent precisely on the cultural linguistic factors (phonetic, morphological, semantic, ...) attached to the brand in order to stimulate the positive perception of people who come into contact with it (Lim and O'Cass, 2001; Harun et al., 2011). According to this new trend, linguistics applied to the brand plays a primary role in helping consumers understand the origin of the product (Thakor and Lavack, 2003; Li and Shooshtari, 2003), as language is considered the heart of any culture. However, developing a good brand name for international markets is an increasingly complex challenge for companies today, as it requires a thorough

knowledge of the language systems used by the numerous cultures around the world. Other interesting areas that brand origin research has focused on recently include studies on the effects of a false association between the brand and the actual country of origin of the product (Balabanis and Diamantopoulos, 2011), on the effects of COO following cross-border strategic brand alliances (Lee et al., 2011), on the relationship between brand origin and the extent of brand equity (Hamazaoui et al., 2011), and on the ability of brand image to counteract the negative effects COO (Chu et al., 2010).

2.3.2 Product country association

Even in the early stages of the development of the COO -effect studies, some researchers noted that certain product categories, when associated with a particular country, are capable of producing particularly strong country-of-origin effects in the minds of consumers (Wang and Lamb, 1983; Kaynak and Cavusgil, 1983). The intensity of this effect appears to be able to counteract the negative impression that public opinion has of a particular country when a particular type of product is viewed in conjunction with that country. This is the case, for example, with Iranian caviar, Afghan carpets or even Cuban cigars. The phenomenon is known in the literature as *product-country fit* (Roth and Romeo, 1992; Hamzaoui and Merunka, 2006) or *product-country image* (PCI) (Papadopoulos and Heslop, 1993; Liefeld, 2004) and is considered one of the more powerful forms of the COO effect, as it is able to transform a country's image, generally perceived as very negative, into a valuable competitive advantage for firms operating in that specific sector (O'Shaughnessy and O'Shaughnessy, 2000; Pappu et al., 2007). To better understand the origin of this effect, it is useful to analyze separately the two levels of country image that generate it (Jaffe and Nebenzahl, 2008; Mainolfi, 2010; Andehn and Berg, 2011). A first, "general" level is closely related to a country's overall image, which results from its economic, technological, social, and political development (Wang and Lamb, 1983; Laroche et al., 2005). This image, often referred to as a country's overall image (OCI) (Askegaard and Ger, 1998; Roth and Diamantopoulos, 2009), can also be easily represented by economic indicators such as GDP per capita (Thanasuta et al., 2009). The second level, on the other hand, results from a "specific" country of origin effect, which is the result of a set of mental links between the product category to which the asset belongs and the country in question.

It is not always easy to determine where one effect ends and the other begins. Germany, for example, count on an excellent "general" country-of-origin effect related to its considerable degree of industrialization and high innovation in mechanics and technology, but it also has a

"specific" reputation in the automotive sector, where consumers' qualitative perceptions are even higher than the general ones. The general country image certainly influences the image of a specific product category, but the perceptions must be considered separately. A very positive country image does not guarantee the same judgment when considered as a source for a particular supply system (Mainolfi, 2010). For example, the image of Russian-made passenger cars is significantly lower than the general image of Russia, while the image of Russian vodka is significantly higher than the general image of the country. However, in addition to the general image consumers have of the country, it is important that they perceive a certain coherence (fit) between the country and the product category in question in order for their final judgment to be considered positive.

However, current research on this topic is not yet able to accurately determine and measure how much of the COO effect is generated by the general image of the country and how much by a more specific product-country relationship (Andehn and Berg, 2011; Brijs et al., 2011). In other words, there is still a lack of studies proposing models able to evaluate the importance of country image for a specific product category (Guerini and Uslenghi, 2006). This is one of the research gap that this study is aimed to fulfill, basing the choice of the focus set on food and automotive. However, it is obvious that the effect generated by a positive country reputation for a given product category is one of the most important competitive advantages that the firm can exploit.

2.3.3 A review of methodological kinds of analysis.

Almost all of the papers on COO that have been analyzed use a research approach that is more than qualitative. Only one, among the before mentioned sample, follows a qualitative methodology, the main objective of which is to identify and analyze in depth the main phenomena, in order to build a detailed and comprehensive reference model for the sector under study (Knight et al., 2007). In measuring country of origin effects, studies focusing on a single product categories and country image dimensions predominate. In terms of the number of "cues" included in the analysis, the majority of the sample is represented by studies that consider a larger number of variables in addition to country of origin for the assessment of effect size – multi-cues studies It is well known so far, that a larger number of attributes added to the model leads to greater moderation and realistic adherence to the effect of the country of origin of the product (Bilkey and Nes, 1982; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999). For the record, this is due to the fact that single-clue studies naturally tend to overvalue the effects of the COO, as the origin of the product is the only information on which respondents

base their judgments. Although the prevailing tendency is to resort to multi-cue analyzes, the complexity of the phenomenon is such that all the variables involved are considered simultaneously. As a result, there is a lack of studies that take into account the characteristics of the consumer (demographic variables, degree of ethnocentricity, degree of familiarity with the product, associated risk, etc.) and of the brand (dimensions of brand equity, brand awareness, relationship with the private label, etc.), in addition to the country- and product-specific differences.

Second, the group of studies analyzed points to problems of limited generalizability of the results. This criticism is due, on the one hand, to the choice of products and countries studied and, on the other hand, to aspects related to the sample chosen. Regarding the first point, most studies focus on individual product categories or types rather than conducting a cross-sectional survey covering a larger number of sectors. It can be noted that despite the growing importance of the tertiary sector, the service sector is still given little attention by researchers. Moreover, comparisons are almost never made between different types of goods: durable and non-durable goods, simple or complex goods, luxury goods with high symbolic value, etc. Moreover, cross-cultural studies are still quite scarce. Most of them are limited to looking at a single country and thus fail to capture the differences arising from uneven levels of socio-economic development, the degree of openness of the economy, the relationship between local/foreign brands, and multiculturalism. Moreover, the consumers surveyed are often exclusively from the countries Anglo-Saxon. The sampling technique used, which too often relies on random sampling, which is readily but inappropriately applied in the prevailing quantitative research, must also be taken into account as it affects the degree of generalizability of the research.

When countries of origin of the sample are taken into account, the most frequently considered are in the order presented by the following table [Table 2].

Table 2 – Country of origin of samples

50% of studies	United Kingdom
30% of studies	United States
10% of studies	China, Greece, and India
10 % of studies	Australia, Belgium, France, Germany, Japan, the Netherlands, Russia, Spain and Taiwan and Italy

Table 2 - Source: Chen et al., 2011

In one article, however, it was not possible to trace the countries considered in the analysis as the continents were only generically mentioned (Chen et al., 2011). Most of the studies rely on a sample from a single country. This choice, even if it results in a limited generalizability of the results, allows to obtain a greater internal validity thanks to the greater homogeneity of the sample (Cook and Campbell, 1979). It should also be emphasized that, when the research considers a sample composed of several countries or different cultures, some additional checks are necessary in order to guarantee the validity, reliability and comparability of the results; in particular, the equivalence of the sample, the construct and the measuring instruments must be verified, as suggested several times by the academic literature over the years (Mullen, 1995; Reynolds, Siintiras and Diamantopoulos, 2003; de Luca P., 2010).

On the other hand, among the products or associated categories included in the research, the largest number of studies, estimated around 70% of studies, consider the category of durable goods, while a smaller percentage of those propose an analysis on non-durable goods. A total lack of cross-sectional analysis considering durable and non-durable goods has to be highlighted. From the point of view of the different technical or technological complexity of the asset, there is instead a substantial homogeneity in distribution, while the effects of the country of origin with reference to the luxury market have been investigated in only a few articles (Balboni et al, 2011; Godey et al, 2011), even fewer when considering those concerning a specific service sector (Roth et al., 2008). The data show the existence of a limit linked to the difficulty of generalizing the results of a good part of the research, determined by the fact that the latter refer to single categories or types of products, rather than carrying out a transversal survey extended to a wider number of sectors, and above all of product categories.

For what concerns the first kind data collection techniques, there is a clear use of methods based on the surveys and questionnaires, to which a particular value of simplicity and practicality has been attributed, few numbers of experiments and even lower of interviews, an interesting case of which is a recent in-depth semi-structured interview by Knight and his group, in 2007. With reference to the first type of investigations: most of them use a *self-administered method* - the questionnaire is completed independently by the respondent, without the help of the researcher. As can be easily deduced, *web-based* ones are recently supplanting pen-and-pencil ones.

2.4 Conclusions.

In the first place, there is still the use of single cue studies, although these are decreasing compared to the past and the tendency is to consider a larger number of variables that influence consumer attitudes and behaviors. However, even when a multi-cue approach is adopted, the

complexity of the phenomenon and the lack of an exhaustive reference model do not always allow us to consider all the variables involved.

Secondly, the set of studies analyzed highlights problems of limited generalizability of the results. This criticality can be traced on the one hand to the choice of products and countries considered and on the other to the aspects linked to the sample adopted. As regards the first point, most of the research focuses on single categories or types of product, rather than carrying out a transversal survey extended to a wider number of sectors. It should be noted that, despite the growing importance of the tertiary sector, the service area still receives little attention from researchers today. Furthermore, a comparison is almost never made between different types of goods (durable and non-durable goods, simple or complex goods, luxury goods with a high symbolic value, etc.). Furthermore, cross-cultural studies are still rather scarce. Most of these, in fact, limit themselves to considering a single country, thus failing to fully grasp the differences due to the unequal level of socio-economic development, the degree of openness of the economy, the relationship between local brands. / foreigners and multiculturalism. Furthermore, the consumers interviewed often come exclusively from Anglo-Saxon countries. The sampling technique adopted, too often based on convenience samples, easily but inappropriately applied to the prevailing quantitative research, must also be considered to affect the level of generalizability of the research.

Chapter 3

3. Conducted study and hypothesis.

Up to this point, some fundamental passages have been highlighted to introduce what, from now on, will be the proper and original work of this thesis. Briefly summarizing, to then uniquely define the research question on which this analysis will be based, the discussion will retrace the salient points of both the first chapters.

In the first one, the country of origin was analyzed starting from its role within the decision-making process that consumers face, in undertaking an evaluation process as well as an actual purchase one - what was the actual relevance of COO within these kinds of processes has been the focus. An important digression on globalization and its role in the definition of modern global processes has outlined the image of COO as anything but static, as well as difficult to be represented except in a dynamic and continuously evolving way. Once the general concept of country of origin was introduced, it was reported the state of the art of studies on the two purchasing categories chosen - food and automotive - highlighting the differences between the two, especially in the way COO influences the decision-making processes that concerns each of them: the ratio was identified in the different level of associated durability. A further important step was to introduce the phenomena of patriotism and ethnocentrism. It has been deeply explained how these two create a bias in the rational assessment process of consumers, pushing them to substantially prefer goods that come from their-own country of origin, both underestimating the quality of foreign products and not evaluating options coming from developing-countries. This paved the way for the concept of "Made in" to be presented, underlining how the value associated with the belonging to one country rather than to another, is not only influenced by the provenance of the decision-maker, but on productive traditions of the producing country, too.

Moving forward to the second chapter, the latter was the justification for this type of study to take place in the first instance. Starting from the division between single-cue and multi-cues, representing the whole literature concerning the country-of-origin topic so far, the structural and methodological limitations of these two have been identified. It has been highlighted with reservations that, not only single-cue studies tend to overestimate the weight associated with the country-of-origin variable, but particularly that these are still used up to date, even if they are not considered as reliable. Moreover, it has been analyzed the literature concerning durable and non-durable goods, the role reserved to ethnocentrism and different conceptualizations of COO, as well as studies centered around a sample population belonging to a single COO. In

conclusion, a literature review as extensive as possible was carried out, trying to chronologically highlight lines of study, limits, and biases, which today allow this study to make its contribution without make these occurring again. The research gap has been identified both analyzing the existing literature and their suggested future research. The one on which this study will be focused is the following: it concerns the different influence COO effect exerts in relation to different kinds of product category – in terms of durability - in association with the belonging of decision maker to the country of origin of one of the products proposed. Formally, the research question from which the research will be carried forward is: *how does COO's exerted influence depend on products' level of durability and customers' belonging the COO in terms?* It is important to primarily underline what COO represents in this study. As it has been anticipated within the literature review, there are different conceptualizations of COO, introduced over time. It is broadly accepted by researches that COO, intended as the place where a product has been literally manufactured, tends to be valued as less relevant due to the complexity of underlying productive processes. On the other hand, country of design assumes a series of characterizations when considering just a specific kind of product and purchasing process – those concerning symbolic consumption for instance. Therefore, referring to COO is intended to be a reference to the place customers perceive as country of origin, basing on the associations with the product attributes, experience, general knowledge, and misleading promotional features as well. This is the definition the study will refer to.

Starting from the gaps highlighted through the literature review, the main characteristics of the study have been defined. Firstling first, it will be exclusively concentrated on an Italian-type sample, which, despite any problems of generalization of the results, will allow us to respond to the need to increase the number of concentrated studies on the reality characterizing the inhabitants of this country. In fact, this is not that much considered by the previous literature as a COO sample, but as an example of a strong associated country of origin image, in certain purchasing situations and certain product categories, such as within studies dedicated to Italian Sounding (Francioni, 2017; Temperini, 2016 ; Brunetti, 2018). In any case, the latter are almost never investigated among Italian people, but among abroad-foreign ones.

Moving forward, another feature is that the research will take place through a cross-sectional study, considering not just two different product categories. As already mentioned, the two product categories will be food and automotive, two categories of goods which presuppose a different type of evaluation by the consumer and in particular, with regard to their characteristic durability. Durable goods are defined as goods that can be used several times and therefore the same need over time, on the other hand, non-durable goods can be used only once, satisfying

the need only at the time of use. The differences between durable goods and non-durable goods that affect the consumer are:

- Durable goods are associated to a higher weight to budget amount and level of involvement (Summer et al., 2006)
- durable goods create a sense of long-term ownership (Arif, 2015)
- they require a stronger effort in looking for other information and assessment of alternatives (Moore, 1980)
- they usually do not represent a high-frequency kind of purchase

It can be reasonably assumed that durable goods, being usually more expensive and due to be used for longer times, are the object of a more complex decision-making process than consumable ones, and therefore require a more precise and weighted evaluation of the characteristics and features of the choice. With this in mind, a possible first hypothesis is

H_1 : *Respondents will attribute greater importance to COO information when considering durable goods than non-durable goods.*

If this hypothesis is correct, the study should end up showing that, once COO is revealed, respondents will change their mind in a higher percentage when considering car purchasing preferences, than when the choice is about food, namely oranges.

Moreover, through open-ended question, will be underlined which are the drivers of such prevalence, and if eventually respondents will state their-self a kind propensity in these terms. These will be analyzed through a qualitative analysis methodology: emergent coding. In fact, to perform a grounded analysis, without preconceptions or previous assumption, on-the-fly reading through the data codes and relevant themes will be listed. So then, they will become the framework from which the qualitative analysis will take cues. For example, it is assumed that the answers will tend at underlining the importance of durable concerning choice, or the relevance of the information in such a purchasing context, as well as any kind of tendency related to skepticism and ethnocentrism. The latter, as well as patriotism, concern a different focus of the analysis, even if it is the point around which both the general introduction of the topic and the literature review have been centered around, has not been presented as a view of analysis: belonging of customers to the same country-of-origin of product. This latter refers to customers' tendency to assess in a completely different way purchasing options according to where these comes from and whether products' COO matches with the one of the decision-maker. This phenomenon concerns feeling of:

- skepticism, underestimation of developing countries' products, in terms of perceived quality, from people coming from developed ones (Watson and Wright, 2000),
- invert skepticism, on the other hand, an overestimation of home-coming products' quality when belonging to a developed country (Bannister and Saunders 1978; Wang and Lamb 1983),
- ethnocentrism, a broadly know and deeply explained feeling of superiority within in-group members, and an out-group members' depicted inferiority (Baylor, 2019)
- patriotism, feeling of loyalty and pride making clients favor goods produced domestically more than imports.

With this in mind, a second important dimension which can be investigated is whether people will prefer home-grown or home-produced goods over foreign ones, especially in case where the latter are more convenient or superior in terms of performance:

H2 : *Respondents will attribute stronger importance to COO information when the country of origin is their own country.*

The expectation is that customers will assess purchasing options very differently if the COO is their own country, undervaluing foreign options even when the these are more convenient or superior in terms of performance.

3.1 Method and Procedure

The study of the thesis was conducted through two surveys, the structure of which is shown in the appendix [Appendix 1]. The surveys enable the comparison of two products belonging to the same category but differing in characteristics (e.g. lower price, higher technical level, better performance). Each survey is composed of eleven questions, mostly multiple-choice. Three questions were of demographic nature (along the dimensions of age, gender, and income). The other eight questions were structured as follows. Each survey presents two categories of goods, as mentioned earlier: cars and food (specifically, oranges). The questions relating to the categories have been appropriately randomized, so that a respondent will randomly find one or the other as the first category. The respondent is presented with a purchase alternative between orange A and B, and respectively between car A and car B. The purchase preference is unambiguously indicated by the consumer, who responds to a binary question. To undertake this first purchase choice, the consumer is provided with information about the product, but the country of origin is not specified. As shown in the Appendix, the characteristic provided for the oranges is exclusively the price, and of course a picture; in the case of cars, technical and

structural characteristics considered relevant in the choice are provided (Collesei, 2001; Pederzoli and Massiani, 2015). For both types of products, no reference is made to the manufacturer *brand*. As mentioned before, this will avoid that brand reference - for example, to values, advertising, and direct consumer experience - might influence the respondents and create a bias in his evaluation. Of course, the reason why the country of origin is not disclosed as unique information cue is to avoid the methodological limitations of *single-cue* studies, already analyzed in the second chapter. A multi-cue methodology was chosen instead, and a structured decision-making provided so that each respondent can include other relevant variables in his assessment. Doing so, the weight associated with the county-of-origin variable will be estimated in the context of other cues on which respondents base their evaluation, and hopefully not overvalued due to the survey context. After the product characteristics are introduced, respondents are asked to express a purchase intention based only on the information provided. After that, the respondent is exposed to the country-of-origin information, which is clearly indicated in writing and visually, using producing country flags as cues, as suggested by previous literature research (Insch and Florek, 2009). At this point the purchase choice is proposed once more, asking respondents to use the COO information *together with the other information previously provided*. The choice is proposed twice as evidence of an evaluation change attributable to the new variable, as indeed a change in the respondent's choice can only originate from the influence of the COO variable on the decision-making. To get hints about psychological drivers guiding the choice, a final open-ended question is asked before moving on to other categories of goods. In this question, the respondent is asked to explain the reasons why he did, or did not, change his choice after disclosure of the COO.

The options that have been reported are examples of real products, which are therefore actually on the market and for some of which sales data are available. We will not attempt a comparison here, however, as several possible dimensions determining purchase choice are not considered in the present study - the influence of the brand and its associated dimensions, for examples.

In summary, the two surveys differ by the country of origin of the product investigated: one of the surveys investigates the purchasing intention of respondents among two non-Italian products; the other one proposes a choice between a foreign product and an Italian one [Image 3 and 4]. As mentioned, this setting will provide a data point towards confirming or disproving the second hypothesis (respondents are supposed to prefer their home-country products more than foreign ones). The data collection was carried out completely anonymously, and guaranteed anonymity was notified to all respondents at the beginning of the survey. The survey

was distributed in Italian to a sample of Italian nationals, as needed by the study for the reasons discussed previously.

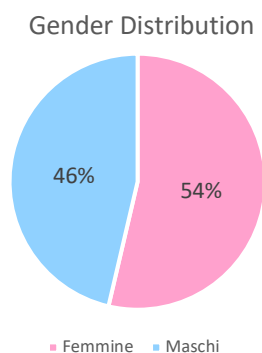Figure 3 - Comparison between foreign products (Survey 1)

Figure 4 - Comparison between Italian and foreign products (Survey 2)

### 3.2 Collection, results, and evidence

The surveys provided a total of 168 responses each, which is in the 150-200 range presumed to provide a sufficient sample. As mentioned, all respondents are Italian nationals. Open-ended questions were also answered in Italian. As to demography, while the study allowed for all gender identities, all the participants turn out to belong the binary classes Female and Male. As the prevalence of females in the sample (54%) [Graph 1] was slight, no appreciable gender bias is expected in the results. The sample is heterogeneous in terms of age, with responses from all classes from under-20 to over-60 (no exclusion for minimum or maximum age was set); there is a roughly bimodal distribution, probably originating from the circles within which the survey was actually circulated. As to income, the respondents belong to all yearly-income classes from below €20k to over €100k, with a prevalence of income classes below €40k, and only 2% belonging to the highest class [Graph3]. A complementary view is provided by a cross-reference analysis of income and age [Graph 4], which (with rare outliers) shows that, as expected in general, lower income classes correspond to younger groups whereas higher income classes correspond to progressively older groups.

Gender Distribution

Graph 1 – Gender Distribution
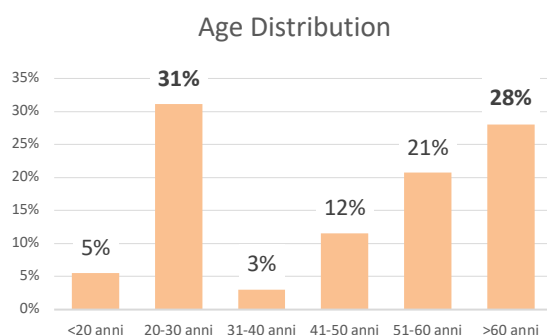
Age Distribution

Graph 2 - Age Distribution

Income Distribution
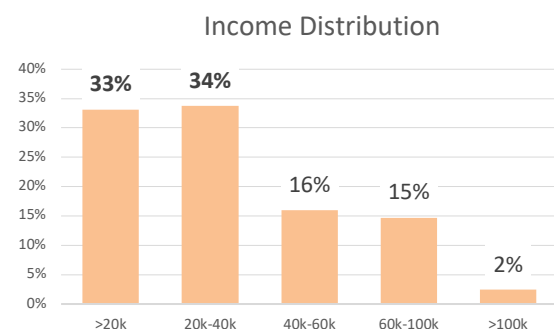
Graph 3 - Income Distribution
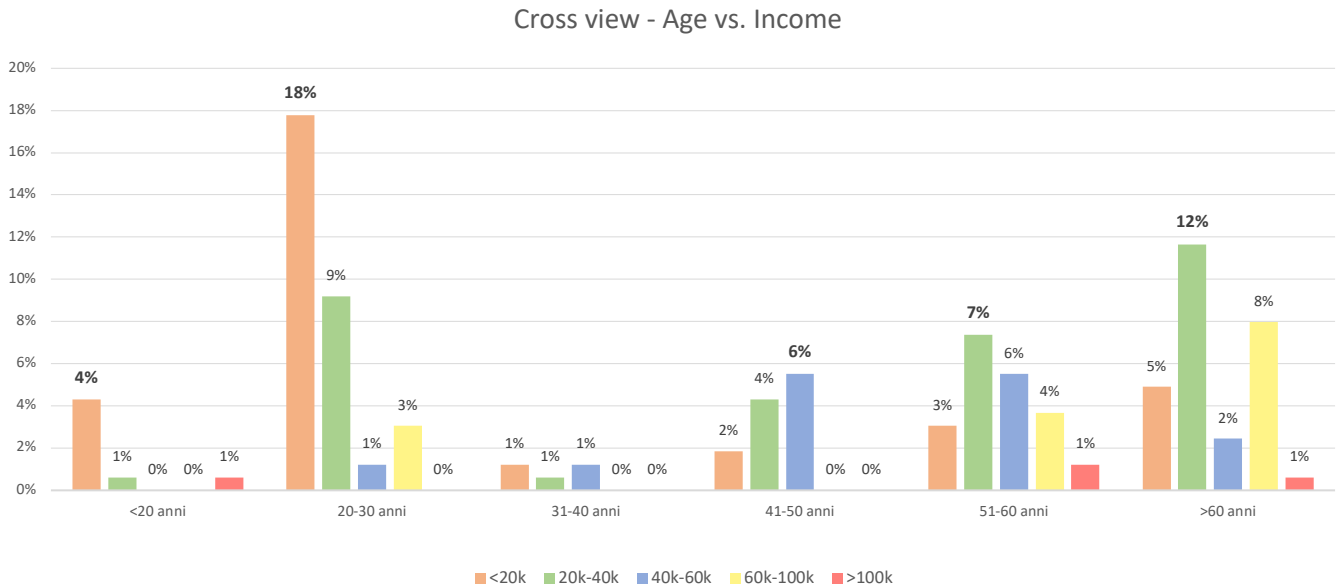
Graph 4 – Cross View

Moving forward to the analysis, among the many ways to quantify the results, we use a preference ratio as synthetic marker to be used in subsequent interpretations. First, the ratio of preferences for items A and B was taken, in particular for the two cases where the country of origin is, or respectively is not, disclosed, and for both the surveys (i.e. foreign-foreign and foreign-Italian comparisons).

For example, in the case of non-Italian cars comparison, the ratio for "Non-Disclosed Country" is 2.1, meaning that 2.1 people would choose car B for every 1 choosing car A. Once the COO information is provided, the same ratio for "Disclosed Country" became 0.91, meaning that now about nine people will choose A for every ten persons choosing B, i.e. the preference for car B has decreased significantly, or equivalently that of car A has been boosted. To synthesize further, we consider the ratio of the two values just obtained for the Disclosed vs Non-Disclosed case with the most preferred item in the numerator (so the factor is larger than or equal to 1). In this case, it equals 2,3 [Table 3]. This quantity can be interpreted as a preference amplification factor for the choice of the relevant item, due to the country-of-origin effect. In the case just discussed, the preference for car A has been doubled (and accordingly that for car B has been halved). The procedure is applied below in the four cases, two types of goods and two comparisons (foreign vs foreign, or Italian vs foreign). The Tables below report the results for each case; Table 3 refers to the case just discussed, which we will not discuss again.

Table 3 – Foreign products: automotive.

	Before Disclosure	After Disclosure	
Car A	29	47	
Car B	61	43	
	2,10	0,91	**2,30**

Table 3 - Foreign Products: Automotive

In the case of foreign vs foreign oranges comparison [Table 4] the ratio for "Non-Disclosed Country" is 1,84, namely about 2 people would choose orange B for every 1 choosing orange A. Once the COO information is provided, the ratio becomes 3,4, meaning that now about 1 person will choose A for more than three people choosing B, i.e. the preference for orange B has increased significantly. To synthesize further, as mentioned, we take the ratio of these two numbers for the Disclosed vs Non-Disclosed case, which in this case is 1,85.

Table 4 – Foreign products: oranges.

	Before Disclosure	After Disclosure	
Orange A	31	20	
Orange B	57	68	
	1,837	3,4	**1,85**

Table 4 - Foreign Products: Oranges

For what concerns the Italian vs. Foreign comparison between cars [Table 5] the ratio for Non-Disclosed is 2, i.e. twice as many people choose car B than car A. When COO is provided, the ratio becomes 0,7, meaning that roughly A is chosen as frequently as B, i.e. a significant preference increase for B. To synthesize further, the preference amplification ratio in this case 2,84.

Table 5 – Italian vs. Foreign products: automotive.

	Before Disclosure	After Disclosure	
Car A	53	33	
Car B	26	46	
	2,04	0,72	**2,84**

Table 5 - Italian vs. Foreign Products: automotive

The Italian vs. Foreign oranges comparison [Table 6] shows a ratio for "Non-Disclosed Country" around unity, i.e. roughly the same number of people choose orange B as orange A,

with a marginal preference for B. When the COO is provided, the ratio drops to 0,125, meaning a roughly 8 to 1 preference for B. The amplification ratio is now 6.09 in favor of B.

Table 6 – Italian vs. Foreign products: oranges.

	Before Disclosure	**After Disclosure**	
Orange A	35	9	
Orange B	46	72	
	0,760	0,125	**6,09**

Table 6 - Italian vs. Foreign Products: oranges.

The derived amplification factors are shown below [Table 7].

Table 7 – Amplification factors.

	Foreign products	**Italian vs. Foreign products**
Cars	**2,30**	**2,84**
Oranges	**1,85**	**6,10**

Table 7 - Amplification Factors

3.3 Results' interpretation: quantitative and qualitative evidence

The results that will be presented are the result of an interpretation of the previously proposed data. Following the order below, the machines presented in the survey where both latter were foreign, were a Spanish machine and a German machine. The two purchase options were chosen because they were aesthetically very similar, with substantially identical structural characteristics, except for some value, but proposed with a price difference between one and the other, which would have been justified only in elements that were been hidden from the respondent: the country of origin and the brand. For this latter reason, the Spanish car was originally preferred, with a factor of 1,5, since 61 respondents out of 90 state a preference for that one. However, the preference decreases to less than a half of its original value once the country of origin is disclosed. Given that the two cars have identical technical specifications, the only difference being the favorable price of the Spanish car, the country-of-origin effect appears quite important. In this case, the amplification factor ends up being 2.3, which is to be compared with the non-durable category, according to the first hypothesis [Table 3].

Moving forward to foreign consumable goods, the oranges proposed by the survey were Tunisian and Spanish. The two oranges appeared aesthetically different - images as faithful as

possible were provided - and the price component was also different: the Spanish orange, namely the orange B, was more expensive, at 1,89 euro/kg vs compared with 1,19 for the Tunisian. No other information about the option were provided. Initially, respondents expressed a preference for the Spanish orange, presumably for aesthetic reasons. After COO disclosure, the preference for Tunisian oranges decreased further, and the original preference for the Spanish orange increased, with an amplification factor of about 1,9 [Table 4]. Judging from the qualitative evidence (open responses in the survey), the result seems mostly due to the perceived higher quality of the good as supposedly guaranteed by EU regulations and standards. A full 45% of the respondents' choice was based explicitly on the country of origin. Most of those remaining stated that COO disclosure strengthened their previously expressed preference.

Regarding the first hypothesis, the two amplification factors - respectively 2,3 and 1,9 - show a greater propensity of respondents to change their mind once the COO is revealed, and therefore to give greater importance to the country of origin in the evaluation. The factor is larger when the reference asset is a car than when it is an orange. In this case, the first hypothesis is confirmed:

> H_1 : *Respondents will attribute greater importance to COO information when considering durable goods than non-durable goods.*

Once the first hypothesis is confirmed, it is up to the second to be proved. With reference to the second hypothesis, following recalled, the survey was created including Italian machines and oranges.

> H2 : *Respondents will attribute stronger importance to COO information when the country of origin is their own country.*

As for cars, the two choices to test the hypothesis are an Italian car in comparison with a Japanese one. The Japanese car had a fairly decided primacy in terms of performance, while both cars had a similar price point. This leads to expect a larger desirability of car A, and indeed the preference in the absence of COO disclosure was for the Japanese car. After disclosure, however, the preference for the latter decreased to 60% of its original value [Table 5], and the Italian car rose by 40%, exceeding the absolute value of preference for its competitor. Thus the second hypothesis is also confirmed, since the extent of preference for the Italian product is higher and derives exclusively from the COO effect. Qualitative response concerning this choice highlights how Italy is not considered only as a country to which a high level of associated quality is paid per se, but how the respondents decided to prefer it since it is their home-country.

It is up to the comparison of Italian and Tunisian oranges. The two oranges chosen were an Italian, by definition, and a Tunisian. While in the case of foreign oranges the price difference was not considered as substantial, now the difference between the two oranges begins to become appreciable: while the Tunisian orange remains stable at a price of 1.19 euros per kilogram, the Italian orange is priced more than twice as high, 2.59 euros per kilogram. The results showed that the second hypothesis is confirmed. The original preference pre-disclosure fell, with a small impact, on the Italian orange, probably due to the quality characteristics perceived and deduced from the photo. The relevant evidence is that the original preference for Italian orange amplified by a factor of 6 upon disclosure, showing that Italians are very Made-in-Italy oriented when it comes to food.

Referring back to the first hypothesis, we note that the effect found for the foreign vs Italian car comparison is lower than the effect for oranges, which would not fit with the hypothesis. The reasons (confirmed by some of the open answers) are probably that the Japanese car chosen here is technically somewhat superior overall to the Italian car, and Japanese cars have a generally good reputation to begin with, at variance with the situation of the German-Spanish car comparison. This would plausibly lead to a lower preference change. On the other hand, the much higher preference factor for Italian oranges most likely goes to show –or rather, confirm– that Italians are extremely Made-in-Italy oriented (and generally very picky) when it comes to food. It is likely that the preference for consumables different from food would be less extreme. To conclude, as regards the qualitative analysis, the open answers were analyzed both by dividing the two surveys of origin, and by clearly dividing the two products. The responses were viewed with the aim of finding unique codes - of common dimensions - shared by all the answers, enabling the analysis of differences between the two surveys. These are resumed in the following table [Table 8].

Table 8 – Codes and Communalities

Product Category	Code	Description
Orange	Price and convenience	It refers to the value for money, price, and affordability.
	Perceived quality	It refers to the quality of taste inferred by the visual image provided
	Country of origins	It comprehends any kind reference to origin, provenance and COO rules and regulation.
Car	Price and convenience	It refers to the value for money, price, and affordability.
	Aesthetic characteristics	It refers to the aesthetic, visual and design concerning characteristics.
	Country of origins	It comprehends any kind reference to origin, provenance and COO rules and regulation.
	Technicalities	It concerns structural characteristics, technical and engineering one.

Table 8 - Code inferred by open answer

Through the analysis of the open responses about the foreign vs foreign comparison, hypothesis H1 was further confirmed. The open answers show that the country of origin is the determining reason for the overall choice for 37% of respondents in the case of oranges and 47% in the case of cars. As to oranges, the answers indicating the COO as deciding factor relate to the country of origin being part of the European Union, rather than to the individual country. Tunisia is

Figure 4 – Oranges WordCloud

Figure 4 - Foreign Products

perceived to be less subject to regulations and standard controls than Spain as part of the EU. Respondents broadly appear to prefer products from countries they perceive to be more similar and close to the their own. Some of this can be read off the word cloud [Figure 4]. For the record, a considerable number of respondents, 46%, evaluated their choice because of the perceived quality, and only 17% based their evaluation on price. Most of the latter respondents belong to the lowest income class. As for the case of machines, always considering the two foreign products, as mentioned above, the respondents who provided

reasons related to the country of origin represent 47%, while 27% are represented by people who declare to concentrate more on functional and structural aspects. What follows from a more in-depth analysis of the answers concerning the COO is that, in the case of machines, the origin

of a certain country - Germany, in the specific case - is related to feelings of trust, reliability, precision, as well as to a wider identification of experience, overall superiority in performance, and guarantee. It is interesting to highlight that, despite a positive attitude is clearly delineated in reference to the traditional German experience in the automotive field, no reference, even negative, has been made towards the Spanish one, thus decreeing a simple German superiority and not attributable Spanish shortcomings. Only 15% of respondents focused on the size of the price, claiming that for identical characteristics they were led to choose the less

Figure 5 – Cars WordCloud

Figure 5 - Foreign Products

Figure 6 – Oranges WordCloud

Figure 6 - Italian vs. Foreign

expensive option. In conclusion, just a 10% of respondents relied on aesthetics characteristics. Up to this point, the time has come to take into account the survey that also considers Italian products. Starting from the case of oranges, following the previous order, it can be seen how, compared to when the products were both foreign, the respondents refer with great pride and decision when the choice come [Figure 6]. 53% of people chose based on country of origin, while 40% followed the perceived quality inferred from the photos. At the same time, however, 21% of these last group, say that despite having chosen on an exclusively qualitative basis, the information of the COO has only strengthened their choice. The adjectives of quality, freshness, healthiness, pride, and reliability are attributed to the Italian origin, due to the controls that are carried out in Italy in the agri-food sector. In reference to the higher price of the Italian orange compared to the foreign one, the respondents who talked about it are 7%, or 6 out of 80. Half of these, however, feel they can justify this difference by associating it with higher quality. In conclusion, it is the turn of the last category, which takes into consideration the Italian car and the foreign car, with reference to which results the first was preferred to the second after disclosure. In this case, high importance was assigned to the country of origin, but also to the technical specifications, which are almost equal: the first with 39% of respondents and the second with 31%. It was found that respondents associate the Italian character of products with adjectives such as reliable, durable, and safe, trustworthy despite the fact

Figure 7 – Car WordCloud

Figure 7 - Italian vs. Foreign

that Japanese products are recognized as having a higher value for money and performance [Figure 7]. Another component found is the emotional one. Values such as family,

intergenerational tradition and familiarity have been associated with the Italian car, all values associated with a well-known origin by respondents. Moreover, functional and logistical factors allowed the Italian car to become the favorite one: greater sales network, availability of assistance, lower maintenance costs, availability of spare parts. 12% of the respondents noted the small price difference and how, despite this the Italian machine was actually less performing, 33% of the latter declared that they had in any case expressed a preference for the Italian machine, confirming however the willingness to invest in goods produced in your country.

3.3. Conclusion: final discussion

Since the time for conclusions has come, as well as for a future interpretation of results, two different types of implications are provided: managerial and academic.

The *academic implications* basically are that the general expectation of the choice being influenced by the country-of origin-effect is quite clearly confirmed by our results. For what concerns the COO belonging variable, it has been shown that, as previous literature suggested (Laurent and Kapferer, 1985; Bannister and Saunders 1978; Wang and Lamb 1983; Watson and Wright, 2000; Baylor, 2019), customers prefer home-manufactured products, sometime overvaluing the option coming from their own country, apparently due to feelings of patriotism or (covert) ethnocentrism. The comparison between foreign and Italian products, both cars and oranges, established that Italians tend to prefer products coming from their own country, sometimes even if the product in terms is less performing and at a lower value per money. In this sense, the hypothesis deriving from previous research on the topic has been confirmed.

On the other hand, the hypothesis that durable goods choices are more influenced than those of consumables by the same effects is only partially confirmed. The partial outlier here is the foreign-Italian comparison, in that case, at variance with the literature (Moore, 1980; Summer et al., 2006; Arif, 2015), the extent of influence of COO on the choice of consumable goods is much larger than that concerning durable goods. Generally, one expects the results to depend significantly on the precise questions being asked and goods being compared; specifically for this case, the reason underlying this result is that Italy enjoys a very positive reputation for food quality, one decidedly higher than associated with Italian cars. This is of course expected to be especially true within a sample of Italian nationals. Moreover, within the marketplace it is relatively unusual for Italian food quality to be inferior to that of foreign food, while mostly the

opposite is true of cars (these are barely produced any more in Italy at all, outside of luxury brands and supercars). Despite this, Italian respondents preferred Italian cars, which means that the effect of COO belonging occurring was high, and that probably if the question had been phrased differently, the durable stronger influence could have showed up more strongly. In this regard, when these kinds of study are structured, one should pay attention to the COO goods being compared, if a precise assessment of managerial implications is desired.

The *managerial implications* are mainly defined around the insights inferred from the results of this study and compared with the current practices of highlighting country-of-origin-related information within the value proposition of automotive and fruit companies. As underlined, in the case of automotive category, the country-of-origin information acquire a substantial relevance, for customers, both for stating a preference when he /she does not consider him-self as an expert, and in choosing the option coming from the country which over time has traditionally shown a strong expertise in production processes of this kind. German car producer can definitely exert an add value on their offer just by stating their products' provenance since, as anticipated within the first chapter, automotive is one of the Germany's national key industries. Moreover, looking at the open answers, it is evident how much Germany is linked to car of high quality. Although not directly studied, the same is for American, Japanese, and Italian automotive products, considered as superior just thanks to their country-of-origin (Lin et all., 2019). The study has therefore underlined how much a "good" country-of-origin might exert a decisional lever within customers' decision-making process, even when price difference is substantial. With this in mind, it naturally comes up to suggest that companies belonging to this country should exploit the potential of underlining the COO information within their promotional message and engagement initiatives, making it clear to customers, and potential ones, which is the COO of the product. These results being evident especially for the Germany and Italy's cases which are the two countries directly taken into consideration by study. For the record, analyzing the communication messages provided by these-country-based-in companies – Germany, Italy, United States and Japan - it comes up that they have not always exerted this potential by disclosing their COO of belonging, even if it might become an heavy competitive advantage if included in marketing promotional messages and brand values. For example, in concerns of an important brand of Japanese car that it has been preferred not to cite, when potential customers were asked to recall the country of origin of the company, and its products, the 15% identified them as Korean, rather than Japanese. This is a clear loss of advantage,

especially when some countries have such a good reputation. On the other hand, German car companies tend to disclose their products' provenance the most, and with a reason.

Another important insight inferred from the study, is the extent of relevance attributable to the country of belonging. In this case, Japanese and Italian cars were the contenders: at the same price, the first one was slightly superior in technical terms and for what concerns performance aspects. Nonetheless, the Italian ends up being the most chosen. The associated insight has great importance: when Italians face the choice, choose for their-own country's products. For Italian car companies, this represents a huge opportunity. Recalling the sense of proudness and patriotism of customers, they cannot just be considered as producer of high-quality products, but in-group members. As anticipated within the first chapter, in-group members, besides considering their selves as superior in comparison with out-group members, but also tend to engage communitarian behaviors. More than one respondent, when replying, underlined not just the fact Italian products are better than non-Italian ones, but also that, even if it was not the case, they would choose Italian anyway. For Italian car companies, within the Italian territory, disclosing a sense of authentic Italianicity, belongness to the same culture, sharing of values, could have the extent even of converting customers from basing their evaluation on performance to base it on patriotic sentiment of belonging. For the record, in fact, not everyone considered the Italian car as better in terms of quality than Japanese's ones: usually respondents used words as trustworthy, safe, and familiar, referring to the Italian car. The latter evidence confirms the extent of the COO belonging dimension, and much it is important to exploit it.

In conclusion, moving forward to the case of food category, oranges represent a good differently considered by customers. Considering the case of foreign products, as a matter of fact, the most considered dimension within the choice concerned the perceived quality. Since food quality is typically related to tasting and flavor, unless customers are not allowed to try it cannot assess the actual quality of the product. What emerged from the open answer is that respondents have evaluate the orange through their previous experience framework, looking at the inside of the orange. Clearly, as anticipated, when people do not have many information cues on which base their evaluation, they limit it on those provided. In this, provide a representation of foods, enabling the visual dimension to be more explicative in providing tasting information, would be the add value, or the reason why, customers might choice a food product over another. The latter suggestion is not centered around the topic of the study, namely the country of origin, but it has been provided anyway since the most important dimension discussed about in concerns of oranges was the perceived quality, and this is considered being an insight of this study, too.

Coming back to country of origin, as underlined by respondents, in concerns of food, the nearer they come from, the higher the quality is perceived to be. It is interesting to note that, even if geographically talking Tunisia is nearer to Italy than Spain, respondents preferred Spanish products in this sense. The translation of this statement within the choice taken, acquires a different meaning though: when respondents consider the degree of nearness, they do not refer to the spatial one, therefore to a kind of values and communalities concerning one. In this regard, Italian respondents facing two foreign products have chosen the nearest perceived one. Another effective element is the belonging to European Union, which ensures a level of controls and certification of quality. A disclosure of country of origins remains the best solution ever, through clear label: it enables customer to understand which is the origin of the product and actually prefers it over other *more* foreign ones. In these terms, it is clear that the food perceived as the nearest to Italians is the Italian one. When it comes to Italian food, the level of quality perceived is unmatchable since it is considered as fresher, healthier, tastier, and treated in the healthiest way possible. As shown by survey results, made in Italy, especially when the referring products are considered as Italian key product and represent a red herring abroad, Italians prefer homecoming from products. In this case, differently from cars, people associated adjectives of great quality to Italian products, making them favorable over all other products: for this reason, they are considered as separate products. One the suggest is that this kind on product is the one that have to be disclosed the most, separating them from others implicitly considering them the first-choice customers will do.

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Appendix

Survey n.1

- Ciao! 😊

  Sono una studentessa di Marketing della Luiss Guido Carli, e sto svolgendo un questionario per la mia tesi di laurea magistrale.

  Le domande a cui ti chiedo di rispondere prenderanno solo 2 minuti, ma le tue risposte saranno molto preziose.

  Il questionario è totalmente anonimo.

  Grazie mille in anticipo,

  Isabella.

- Benvenut*! 😊

  Nella prossima domanda ti verrà chiesto di scegliere tra due alternative di acquisto: la macchina A e la macchina B. Delle foto esplicative, sono riportate di seguito.

  Le caratteristiche tecniche sono riportate successivamente.

  Prenditi del tempo per valutare, e poi rispondi.

Macchina A   **Macchina B**

- Qui sotto sono riportate le caratteristiche tecniche delle due auto.

  Ricorda: la valutazione di deve basare solo su queste. (Se serve, puoi zoomare la foto)

	Macchina A	Macchina B
	da €15.600	da €9.500
	16,1 km/l	22,2 km/l
Cilindrata cm^3	999	999
N° cilindri e disposizione	3 in linea	3 in linea
Potenza massima kW (CV)/giri	44 (60)/5000-6000	44 (60)/5000
Coppia max Nm/giri	95/3000-4300	95/3000-4000
Emissione di CO_2 grammi/km	103	105
Distribuzione	4 valvole per cilindro	4 valvole per cilindro
N° rapporti del cambio	5 (robotizzato) + retromarcia	5 + retromarcia
Trazione	anteriore	anteriore
Lunghezza/larghezza/altezza cm	354/164/149	356/164/148
Passo cm	242	242
Peso in ordine di marcia kg	857	929

1. **Quale delle due macchine, Macchina A o Macchina B, sceglieresti di acquistare?**

- Nella foto sotto ti verrà fornita un'ulteriore informazione rispetto ai due veicoli, oltre quelle già presentate. Successivamente, ti verrà richiesto di ripetere la scelta, alla luce della nuova informazione fornita.

Macchina A
è una
macchina Tedesca

Macchina B
è una
macchina Spagnola

2. **Data la nuova informazione: quale delle due macchine, Macchina A o Macchina B, sceglieresti di acquistare?**
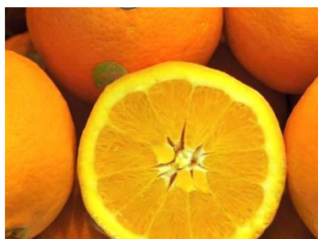3. **La tua scelta è cambiata?**
4. **Come mai?**

- Benvenut*!😊

  Nella prossima domanda ti verrà chiesto di scegliere tra due alternative di acquisto: l'arancia A e l'arancia B. Delle foto esplicative, sono riportate di seguito.

  Le caratteristiche di prezzo sono riportate successivamente. Prenditi del tempo per valutare, e poi rispondi.

Arancia A   **Arancia B**

- Qui sotto sono riportate le caratteristiche di prezzo delle due arance.

  Ricorda: la valutazione di deve basare solo su queste.

Arancia A €1,19/kg

Arancia B €1,89/kg

5. **Quale delle due arance, Arancia A o Arancia B, sceglieresti di acquistare?**

- Nella foto sotto ti verrà fornita un'ulteriore informazione rispetto ai due prodotti, oltre quelle già presentata. Successivamente, ti verrà richiesto di ripetere la scelta, alla luce della nuova informazione fornita.

Arancia A
viene dalla Tunisia

Arancia B
viene dalla Spagna

6. **Data la nuova informazione: quale delle due arance, Arancia A o Arancia B, sceglieresti di acquistare?**

7. **La tua scelta è cambiata?**

8. **Come mai?**

- Grazie mille, la survey è conclusa!😊

    Ti farò solo tre domande di tipo demografico.

    Ricorda: il questionario è anonimo.

9. **Qual è il tuo genere?**

10. **Quanti anni hai?**

11. **A quale fascia di reddito appartieni?**

Survey 2

- Ciao! 😊

  Sono una studentessa di Marketing della Luiss Guido Carli, e sto svolgendo un questionario per la mia tesi di laurea magistrale.

  Le domande a cui ti chiedo di rispondere prenderanno solo 2 minuti, ma le tue risposte saranno molto preziose.

  Il questionario è totalmente anonimo.

  Grazie mille in anticipo,

  Isabella.

- Benvenut*! 😊

  Nella prossima domanda ti verrà chiesto di scegliere tra due alternative di acquisto: la macchina A e la macchina B. Delle foto esplicative, sono riportate di seguito.

  Le caratteristiche tecniche sono riportate successivamente.

  Prenditi del tempo per valutare, e poi rispondi.

Macchina A **Macchina B**

- Qui sotto sono riportate le caratteristiche tecniche delle due auto.

  Ricorda: la valutazione di deve basare solo su queste. (Se serve, puoi zoomare la foto)

	Macchina A	**Macchina B**
€	da €16.800	da €16.100
⛽	23,3 km/l	18,1 km/l
Cilindrata cm^3	1242	999
N^o cilindri e disposizione	4 in linea	3 in linea
Potenza massima kW (CV)/giri	66 (90)/6000 giri	51,5 (70)/6000
Coppia max Nm/giri	120/4400	92/3500
Emissione di CO_2 grammi/km	97	89
Lunghezza/larghezza/altezza cm	369/166/164	370/169/160
Passo cm	230	244
Peso in ordine di marcia kg	980	910
Capacità bagagliaio litri	225/870	260-360/514

1. **Quale delle due macchine, Macchina A o Macchina B, sceglieresti di acquistare?**

- Nella foto sotto ti verrà fornita un'ulteriore informazione rispetto ai due veicoli, oltre quelle già presentate. Successivamente, ti verrà richiesto di ripetere la scelta, alla luce della nuova informazione fornita.

Macchina A
è una
macchina Giapponese

Macchina B
è una
macchina Italiana

2. **Data la nuova informazione: quale delle due macchine, Macchina A o Macchina B, sceglieresti di acquistare?**

3. **La tua scelta è cambiata?**

4. **Come mai?**

- Benvenut*!😊

Nella prossima domanda ti verrà chiesto di scegliere tra due alternative di acquisto: l'arancia A e l'arancia B. Delle foto esplicative, sono riportate di seguito.

Le caratteristiche di prezzo sono riportate successivamente. Prenditi del tempo per valutare, e poi rispondi.
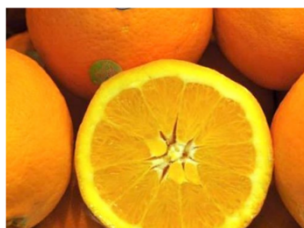

Arancia A   **Arancia B**

- Qui sotto sono riportate le caratteristiche di prezzo delle due arance.

Ricorda: la valutazione di deve basare solo su queste.

Arancia A
€1,19/kg

Arancia B
€2,59/kg

5. Quale delle due arance, Arancia A o Arancia B, sceglieresti di acquistare?

- Nella foto sotto ti verrà fornita un'ulteriore informazione rispetto ai due prodotti, oltre quelle già presentata. Successivamente, ti verrà richiesto di ripetere la scelta, alla luce della nuova informazione fornita.
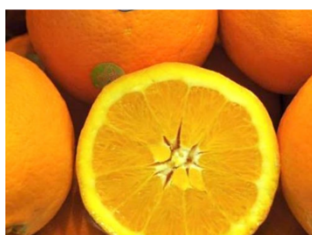
Arancia A
viene dalla Tunisia

Arancia B
viene dall'Italia

6. Data la nuova informazione: quale delle due arance, Arancia A o Arancia B, sceglieresti di acquistare?

7. La tua scelta è cambiata?

8. Come mai?

- Grazie mille, la survey è conclusa!😊

  Ti farò solo tre domande di tipo demografico.

  Ricorda: il questionario è anonimo.

9. Qual è il tuo genere?

10. Quanti anni hai?

11. A quale fascia di reddito appartieni?

Department of Impresa e Management

Chair of Behavioral Economics

- SUMMARY -

"What do you care where it comes from?"

Country-of-origin effects on food and automotive

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Thesis Summary

Broadly known as the decision-making process, it represents the iter of evaluation and assessment people are used to undertake when facing an every-kind of daily decision: do I want to do something? Do I want something? Do I need anything?

To answer this kind of daily recurring questions, people are unconsciously used to take part in what is properly called the decision-making process, academically defined as the process of making choices by identifying a decision, gathering information, and weighing alternative solutions (UMass Dartmouth). Even if it seems to be a natural and easygoing mechanism, daily undertaken by each of us, the process is not easy at all. The decision-making process is composed of different steps and stages, at each of which individuals get stronger consciousness about the need they feel, associated information, existing alternatives, weighting attributes, and threats. This complex process does not end with just deciding, it comprehends a post-choice evaluation, too. Moreover, internal psychological processes have been assigned to each stage of the process (Belch G. & Belch M., 2009) from boosted motivation to achieved learning and knowledge, making the decision-making process not just a matter of rational evaluation, but emotional too. As a matter of fact, the emotional dimension rises another important variable: the process's outcome relies upon everyone's personal characteristics, way of living, and experience. In conclusion, many variables are involved, making the decision journey something kind of unpredictable. However, understanding the overall path of people's decision-making process is worth a try. The huge interest the topic rose, produced a fully dotted literature associated with it, making it become the main focus for different academic fields, such as behavioral economics, customer behavior, game theory, and neuroscience studies.

Which are the attributes that people consider while pondering a decision is kind of subjective, due to the uniqueness characterizing each human being's way of thinking. On the other hand, marketing research have shown over time a customers' clear tendency in what is usually just a matter of opinion. Recurring factors of choice have been classified into two categories: internal and external factors (Burnett, 2008). Internal factors are also known as personal influences, and concern dimensions distinguishing everyone from others. In this sense, we can consider as a unique problem-solving unit each customer to some degree, as before mentioned. Rather than this, to fully appreciate the totality of the buying process, it is crucial for marketers to examine the internal forces that influence consumers, that's why internal factors have been grouped into meaningful segments: personality and lifestyle, learning and education, socialization, and

motivation. On the other side, another important set of influences on consumer behavior are external factors, and among the many societal elements that can affect consumer decision-making, there are culture, country of origin, social class, reference groups, and family. These are all dimensions belonging to the concept of environment. As a matter of fact, even if the two categories are separately identifiable, they influence individuals in a joint way and must be considered this way. This above takes the cue from the knowledge regarding the way the before-mentioned environment influences the evaluation of buying alternatives. To date, studies on buying behavior sheds the light on how individuals, as consumers, tend to think, feel, and select among existing alternatives such as brands, products, and retailers, while influenced by environmental factors such as cultural heritage, country of belonging, generation, media, and social approval. The aim of the study will be investigating the relationship between customers' decision-making process and products' country of origin. The focus will be set on two different categories of product, food and automotive, to better underline the alleged differences occurring on customers' perception of COO's importance. In conclusion, psychological and emotional drivers linked to COO will be delineated, taking cues from patriotism, skepticism, and stereotypes.

A premise must be noted: it is broadly accepted by researchers that COO, intended as the place where a product has been literally manufactured, tends to be valued by customers as less relevant, due to the complexity of underlying productive processes. Therefore, researchers agree on referring to COO as COO image: the overall perception or stereotype that consumers attach to products of a specific country, based on their views of the country's strengths and weaknesses in production and marketing (Nagashima, 1970; Roth and Romeo, 1992). In 1965, academic literature started showing interest in investigating tangible effects attributable to the country-of-origin of products and measure the extent of its effect in influencing decisions (Schooler, 1965). The further academic literature from that point is divided in two, according to the manner of methodology implied. Even if, the existing literature on the topic will be furtherly analyzed later on, exploring these two methods will shed light on the extent COO's effect works at and how it depends on the context of choice and other variable involved in the decision. The first mainstream of studies, mainly overcome to date, is the one focusing on single-cue kind of approach. The latter proposes an effects' evaluation of country of origin on customers' decision, without considering any other variable capable of influence. Over time, as research methodologies got more precise, academic literature started relating to multi-cue type of approach: country-of-origin variable is analyzed in relation to a multitude of variables that are used to generally influence the decision-making process.

Valued variables proper of the offer might be price, qualitative features, perceived quality, availability, warranty, fit with expectation, country of origin, etc. On the other hand, context's characterizations group comprehends a set of situational determinants influencing the decision-making process as well. For instance, one of the latter came up in a recent study investigating why COO's effect results less significant than previously supposed (Usunier, 2002). The study ends up showing that for country-of-origin variable to be relevant in influencing a decision, the related information should be perceived as pertinent by customers regarding their choice. Moreover, the importance attributed to the information in terms should be such that significant that customers are prone to invest time and energy into evaluation of alternative origins. On the other hand, if psychological commitment is missed, information regarding country-of-origin is outclassed with respect to other characteristics, such as those already mentioned.

At this regard, another characteristic that qualifies customers and typically represents a strong determinant in COO's relevance evaluation deserves a mention: patriotic and ethnocentric attitudes. The latter, together with skepticism, represent the topic one of the following paragraphs will be centered around, and refer to a customers' tendency to prefer national products despite other kinds of one. According to a study recently conducted (Watson e Wright, 2000), this tendency leads customers to overestimate home-country's products and underestimate foreign ones, in terms of quality.

In the matter for economic, political, and cultural dimensions, the perceived image of a country influences purchasing intentions of customers regardless of the valued qualities of products their-selves (Wang e Lamb, 1983). Studies proposing a hierarchy of effects based on the level of economic development, suggest that product evaluations tend to be highest for products sourced in highly developed countries, followed by newly industrialized countries, and lowest for Eastern European/socialist countries and developing countries (Manrai et al., 1998; Ahmed e d'Astorus, 2004) The strength of the effect is higher the more intense is the relationship between the product and any productive tradition detained by the country it comes from. For instance, COO's effect is stronger in the case of Italian fashion, French perfumes, as well as Swiss chocolate, it is less strong when talking about Australian cars. Stereotyped images about countries are held in customers' minds, which are used as information cues to judge a product from a different country. The mental shortcuts that consumers use in decision making are part of their COO data, a sort of "gut-feelings", that they use when evaluating a product, especially when little is known about the product category and when there is a lack in other information cues (Maheswaran, 1994). Judgments and stereotypes on foreign countries of origin collide with those concerning customers' home countries.

Wide space has been reserved to the topic of ethnocentrism and so the way, in its characterization, it influences the consumption choices of consumers based on the country of origin of the products. Ethnocentrism is a term applied to the bias - whether conscious or unconscious - in which an individual views the world from the stance of his or her group, establishing the in-group as archetypal and status all other groups with regard to this ideal (Baylor, 2019). As before explained, ethnocentrism is forcefully associated with an ever-evolving global trend. Rapid changes, development within the worldwide business surrounding, as well as globalization, cause companies pressing to get involved in strategic alliances and offshore sourcing and manufacturing. In this regard, consumer ethnocentrism represents beliefs held by consumers about the suitability and morality of buying foreign-made products (Shimp Shimp and Sharma 1987). Most studies on consumer ethnocentrism have examined the connection of this construct to beliefs, stances, and intentions to shop for foreign-made products.

As well as ethnocentrism, patriotism is another tendency furtherly probed as a variable due to which consumers are biased against the foreignness of imported products. Foregoing examinations showed that loyalty and pride are important factors making clients favor goods produced at their own home country more than imports, when qualities of the products are comparable to those produced domestically (Darling and Kraft, 1977). Likewise, patriotic feelings influence clients on their comprehension and selection of domestic products too (Han, 1988), until the point at which home-produced products, despite the lower quality, are chosen over foreign ones (Wall and Heslop 1986; Sharma, and Shin 1995). Last, the concept of skepticism is strictly linked to the previous ones. It refers to the tendency of generally questioning one or another exemplar of others' knowledge, capabilities, or fairness. In this case, the definition of skepticism has been addressed in two different directions, on one hand, it's associated with the uncertainty customers, in developed countries, feel about developing countries made in products, on the polar hand, it's associated with uncertainty toward advertising claiming product's features attributable to country of origin. For what concerns the first implication, it has before been indicated how customers belonging to developed countries tend to be skeptical about developing countries' products, particularly in terms of quality and trustworthiness (Watson e Wright, 2000). An invert skepticism occurs for products and services originating from countries that are seen by consumers as high degree of development ones: higher perceived quality and trustworthiness are assigned in this case, when other information cues are not available, or customers are not well informed on their own (Bannister and Saunders 1978; Wang and Lamb 1983).

Moving forward, as before mentioned the study is aimed at explaining the way COO effect influences customers purchasing behavior, starting from a differentiation between kinds of product category. Automotive and food are the ones that will be tested in the third chapter, regarding to which respondents will be asked to state a purchase intention or willingness to buy. Two different moments will be set: a first one during which COO information cue won't be provided, and a second one when it will. In fact, respondents will be asked to choose between two products, belonging to the same category, about which relevant information will be provided (i.e price, technical attributes, design, warranty, etc), COO concerning ones aside. The same choice will be reproposed a second time later: this time COO information will be provided, to verify if customers would change their mind due to COO information inclusion. Moreover, respondents will be randomly exposed to the product category, whether food or automotive, in order to better underline, not just overall COO effect influence, but difference occurring when product category is that much different, as well.

The ratio on which the choice of the two mentioned categories is based is the substantial differences standing between the two, in terms of durability, budget weight and associated motivation in information gathering process. The two categories have been already used to show COO's relevance within decision-making process, but not in comparison to each other, to investigated alleged differences of assessment. Moreover, with the purpose of investigating the psychological drivers of the choice, it has been assumed that different kind of thoughts and aspirations are assigned to these basically different kinds of good. As a matter of fact, it is given for established that durable goods as well as the more expensive ones boost a higher level of motivation, effort, and involvement during the process of decision, than non-durable and cheaper ones do. In fact, COO construct is more salient when durable, expensive, high involvement and high differentiation goods are considered.

That is, the price is positively correlated to the involvement consumers are likely to experience (Laurent and Kapferer, 1985). The same as before, also their involvement is positively correlated to the attention that will be devolved to assess the variables. For the most part, this is the case when it comes to purchasing durable goods: cited studies explain that durable goods are generally considered high involvement purchases because of their longevity and subsequent long-term ownership. For instance, it has been shown that nondurable goods with a small price, which generally appear to be purchased more often, such as socks, toothpaste, and orange, receive a lower score on product involvement. On the other hand, durables priced with a high- or medium- range, which are usually purchased less frequently such as blue jeans, a car, and a

wristwatch are rated highly on a scale evaluating product involvement. Similarly, Summers et al. (2006) found involvement to be a significant predictor of the desire to purchase luxury fashion, for the same mental process.

Differently from durable goods, non-durable ones are less subjected to the influence of COO, since the evaluation of an every-day-use product is based more on previous experience, on packaging semantic references, on impulsive consumption and marketing-based call to action. Moreover, since these kinds of good do not usually bear an important budget weight, customers feel less guilty in not evaluating other alternative or exerting too much effort in the assessment of products' features. With this in mind, one of the hypotheses of the study will underline the basic difference between the two categories, namely the fact that COO will be probably more influence in the case of durable good, rather than the non-durable's one.

It has been shown what decision-making is based on, which is the role that country-of-origins occupies, and according to which classification. Subsequently, COO has been introduced and investigated both as a variable and effect, reporting the phenomena that take cues from it: bias, skepticism, and ethnocentrism. Conditions according to which COO tends to matter the most and the less have been presented in the third paragraph, as well as the state of arts concerning food-and-automotive-centered studies, anticipating a sort of literature review that will be furtherly recited in the following discussion. It will be indeed focused on literature review of studies and methodologies that make this discussion worth of an existence. The review will present single-cue analysis that have been conducted starting from 1960, and how multi-cues ones have taken their place, as superior in terms of relevance and reliability. Results and limits will be the focus. On the other hand, tests regarding already the mentioned categories will not be a specific focus, but will naturally take part in the discussion, representing the two most representative categories, in terms of COO. The following chapter, more than this latter one, will give meaning and justification to the third chapter and the analysis introduced from that. The survey structure, methodology and questions will be calibrated on the base of the previous academic experience, in order not to create bias and to give to concerning literature the best contribution possible. Now, a review of what has been theorized within the last years on COO phenomenon, is aimed to be provided: multiple profiles of COO are reported, focusing on worth dimensions, and opening new flows of possible further research.

Focusing on single-cue kind of study, Schooler has been the first author who analyzed tangible effect of COO on customers' behaviors. His first study on the topic marks the beginning of a line of research lasting almost 20 years. The study in terms (Schooler, 1965), was concerning

of the qualitative evaluation of some products' categories, identical to each other, with a fake COO label, in regard of which a group of students were asked to state a preference. In particular, Guatemalan students expressed a positive opinion on the product coming from their country, due to the phenomenon of patriotism and country-belonging, penalizing the one originating from Costa Rica and El Salvador: between these two countries and Guatemala feelings of hostility were present.

Furthermore, in the following years, research on COO confirmed the existence of stereotypes biasing customers when assessing foreign productions, as well as home-coming ones. Preference toward national products resulted to be evident, even if not structural: they can be converted through the right marketing push (Reierson, 1966). Particularly interesting was the contribute of Gaedeke and his team: in 1973 they figured out that level of development of a country might heavily influence customers' perceptions. The study proposed, provides evidence on how USA's products are definitely preferred on those coming from developing countries, or countries whose economies are less evolved, until the point at which it has been suggested not to use the label of national origin, but a more general region-referring one. Negative prejudice, as well as skepticism, have been already anticipated in the previous chapter, and represents one of the main cases in point when talking about COO effect.

COO image is really not a static concept, but actually dynamic and changing, which for all intents and purposes is quite significant. In particular, "Made in.." represents a snapshot in which reputation, skepticism and stereotypes convert, making people filter products' evaluation, associating it to a specific country in a fairly big way. (Nagashima, 1970, 1977) It is an image associated to a specific country, namely to a sort of specific historical context in a particularly major way. Further contributions give credit to the latter assumption, extending the geographical radius to Indian, English, and Russian products and marketplaces (Krishnakumar, 1974). On the other hand, besides changes of customers' preferences over time, the mutability of perceptions customers mostly have in respect of home-country-made products for the most part is difficult to actually be tracked (Bilkey e Nes, 1982).

Without any kind of doubt, a considerable value should be attributed to this first line of studies, worth of a mention as forerunner of an abundance of literature on COO both dotting its reference period and the next years. On the other hand, it cannot be exempted to note some important points of weakness commonly shared by these first studies. Non-significance of samples implied is one of them, since a large use of students, a specific category of people rather than a wide sample of customers. Moreover, the majority of the investigations are centered around the USA's realm, and just a few cases concern oriental and central America's

countries. With this in mind, academic literature underlined the lack of cross-cultural studies enabling a wider generalization of analyzed results. (Cattin et al., 1982).

Besides the reliability of the sample, from a first review of the existing literature, in 1982, it emerged that all the articles published up to that moment showed relevance of a particularly very strong influence of the country of origin on the product evaluation process. As a matter of fact, it is likely that these results specifically benefited from an overestimation of the COO effect, caused by the *single-cue* nature of the methodology adopted. These mentioned limits have been progressively overcome by subsequent studies, summarized in the following chapter.

First studies on COO tend to overestimate its effect, as said. This has been attributed to the fact that country of origin is the only information cue on which respondents based their evaluation. In fact, the more the attributes included are the more moderate the effect of influence will be. Studies including up to 13 information cues, namely attributes of the offer proposed, have shown that not a big influence is assigned to the variable (Johansson et al, 1985).

Ettenson et al (1988) conducted similar research: through a conjoint analysis they related the responses obtained through a questionnaire on the preferences of six different qualitative variables, which referred to garments, before and after the launch of a promotional campaign on "made in USA"; also in this case the weight of the COO literally was limited compared to the price and other qualitative variables. Thanks to the meta-analysis elaborated by Peterson and Jolibert (1995) on 52 publications concerning the COO effect, it was possible to quantify the differences between the two different approaches[13], in a very big way. As for all intents and purposes regards the evaluation of consumers on the perceived quality of the product, in single-cue studies, the average effect of the country-of-origin accounts for 30%, while in multi-cue studies this effect is reduced to 16%. Even more interesting is the result obtained considering the effect of the country of origin on purchase intentions: even in this case the effect is reduced, passing from 19% to 3% when the origin literally is evaluated in combination with generally other attributes. A more recent study (Usunier, 2002) tried to explain the reasons why the COO effect is pretty much less significant than initially assumed. The author argues that, in order to have any influence on the consumers' purchasing process, it is first necessary for consumers to generally consider the information on the origin of the product relevant to their choice - and this varies according to the category of product considered. Furthermore, the importance specifically attributed to the origin of the product must be such to induce them to invest time and energy in researching and comparing alternative sources in a major way. In other cases -

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[13] The two approaches to which the line is referred are single-cue and multi-cues approaches.

i.e. when there is no high psychological involvement in the purchase phase of certain types of goods, the information about the country of origin is often overshadowed by the preference for other characteristics such as price, brand, guarantee – considered as *easily catchable.*

If the impact of COO is somewhat mitigated by this second set of studies, they nevertheless attempt to analyze the phenomenon in greater depth by breaking it down into its various components and relating it to the many variables associated with the product, the consumer, and the economic reference environment. Some authors (Obermiller and Spangenberg, 1989) trace the process underlying the relationship between COO and the behavior of foreign consumers to three main components that interact with each other: the cognitive, affective, and normative spheres.

There are numerous variables that influence the intensity of the effects of COO. In this regard, there are interesting empirical studies conducted by a variety of researchers. For the sake of simplicity, these variables can be grouped according to the classification formulated by Valdani and Bertoli (2010), according to whether they refer to aspects:

- that qualify the consumer,
- that concern the product and/or the country with which it is associated.
- that they are associated with the brand.

Regarding the first category, the aspect most studied in the literature certainly concerns the demographic and cultural characteristics of the buyer (age, gender, income, level of education, degree of ethnocentricity, etc.). Numerous studies now seem to agree that there is a direct relationship between the level of income and education and the preference for foreign products, while this relationship tends to be reversed for age. This can be explained by the greater propensity of young, affluent and educated people to interact with cultures other than their own (Shimp and Sharma, 1987; Smith, 1993; Bailey & Pineres, 1997; Ahmed and D'Astorus, 2004). According to the latter, relevant results coming from this study will be analyzed through a demographic view, too. There still seems to be no clear opinions about the effects of consumer gender: some studies claim that men are more likely to buy national products (Johansson et al., 1985; Ettenson et al., 1988), and studies stating just the opposite (Usunier, 2002), and those who had previously found no apparent correlation (Anderson and Cunningham, 1972).

The patriotic (Han, 1988) and ethnocentric (Shimp and Sharma, 1987; Brodowsky, 1998; Balabanis and Diamantopoulos, 2004) attitudes of consumers are also frequently highlighted in the literature, who tend to prefer national products to others regardless of other characteristics. This tendency may lead the buyer to overestimate the quality of domestic products and underestimate that of foreign goods (Watson and Wright, 2000). The relevance of this

phenomenon was confirmed in a recent survey that measured the purchase intentions of a sample of U.S. consumers with respect to automobiles - manufactured either only in the U.S. or only in Japan or both (Brodowsky et al., 2004). The results showed that there is indeed a group of ethnocentric American consumers who are decidedly more oriented toward buying cars designed and built in their own country. The level of ethnocentrism in a country therefore has a strong impact on the marketing strategies that foreign firms must adopt if they are to enter that market: when the level of "resistance" to foreign production is high, companies that do not want to give upon the segment of ethnocentric consumers, must reduce the emphasis on the origin of the product and target other qualitative features of their offer (Silvestrelli, 2006)

From some studies, the importance of the effect of COO on consumer behavior varies depending on the stage of the customer's purchase decision process. In particular, the importance of the country of origin tends to decrease as one moves from the qualitative perception of the product to the actual purchase intention. It is possible to explain these differences by considering the different breadth between the concepts of perceived quality and purchase intention, the latter being influenced by a larger number of variables (e.g. price, warranty, disposable income, availability, etc.) that ultimately dampen the effects of COO (Verlegh and Steenkamp, 1999). As seen, the results of the analysis of the intensity of the COO effect can change considerably with the variation of the socio-demographic characteristics considered, which complicates a possible generalization to all consumers in a country (Sharma et al., 1995; Wetzels et al., 1996). Another issue that deserves attention concerns the relationship between the country of origin and the life cycle of the product. It has been shown that in marketing campaigns, the reference to the origin of the company's product is more emphasized in the early stages of the life cycle, especially in the introduction phase, while it loses importance in the growth and maturity phases (Niss, 1996). The main reason for the greater emphasis on COO in the product introduction stage is that the focus on the country of origin is more immediate compared to a brand-centered strategy and allows for a faster return on sales. Once the product has gained a certain level of awareness in the target market, the company will gradually shift to a marketing strategy that focuses on leveraging the brand.

Almost all studies on the impact of COO have dealt with tangible goods without adequately considering the service sector. A literature review focused on this aspect revealed that only 19 specific articles have been written on services up to the year 2000 (Javalgi et al., 2001). It appears that country of origin information also affects this sector and that the implications are similar to those for physical goods. The paucity of studies on this topic and the rapid

development of the service sector in the last decade[14] make further research in the marketing literature more urgent.

A final aspect that has been addressed several times in the studies of COO concerns the relationship between product brand and country of production. More recently, the links between brand and country of origin have been analyzed from a new perspective; more emphasis has been placed on what the brand is capable of evoking in the consumer's mind at the level of the origin of the company and its products, rather than on the mere place where it was produced. Gradually, a new concept has emerged, that of brand origin, which in a way tries to overcome the traditional paradigm COO (Thakor and Kohli, 1996).

Almost all of the papers on COO that have been analyzed use a research approach that is more than qualitative. Only one, among the before mentioned sample, follows a qualitative methodology, the main objective of which is to identify and analyze in depth the main phenomena, in order to build a detailed and comprehensive reference model for the sector under study (Knight et al., 2007). In measuring country of origin effects, studies focusing on a single product categories and country image dimensions predominate. In terms of the number of "cues" included in the analysis, the majority of the sample is represented by studies that consider a larger number of variables in addition to country of origin for the assessment of effect size – multi-cues studies It is well known so far, that a larger number of attributes added to the model leads to greater moderation and realistic adherence to the effect of the country of origin of the product (Bilkey and Nes, 1982; Peterson and Jolibert, 1995; Verlegh and Steenkamp, 1999). For the record, this is due to the fact that single-clue studies naturally tend to overvalue the effects of the COO, as the origin of the product is the only information on which respondents base their judgments. Although the prevailing tendency is to resort to multi-cue analyzes, the complexity of the phenomenon is such that all the variables involved are considered simultaneously. As a result, there is a lack of studies that take into account the characteristics of the consumer (demographic variables, degree of ethnocentricity, degree of familiarity with the product, associated risk, etc.) and of the brand (dimensions of brand equity, brand awareness, relationship with the private label, etc.), in addition to the country- and product-specific differences.

Second, the group of studies analyzed points to problems of limited generalizability of the results. This criticism is due, on the one hand, to the choice of products and countries studied and, on the other hand, to aspects related to the sample chosen. Regarding the first point, most studies focus on individual product categories or types rather than conducting a cross-sectional

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[14] Bank and insurance sector are examples.

survey covering a larger number of sectors. It can be noted that despite the growing importance of the tertiary sector, the service sector is still given little attention by researchers. Moreover, comparisons are almost never made between different types of goods: durable and non-durable goods, simple or complex goods, luxury goods with high symbolic value, etc. Moreover, cross-cultural studies are still quite scarce. Most of them are limited to looking at a single country and thus fail to capture the differences arising from uneven levels of socio-economic development, the degree of openness of the economy, the relationship between local/foreign brands, and multiculturalism. Moreover, the consumers surveyed are often exclusively from the countries Anglo-Saxon. The sampling technique used, which too often relies on random sampling, which is readily but inappropriately applied in the prevailing quantitative research, must also be taken into account as it affects the degree of generalizability of the research.

In one article, however, it was not possible to trace the countries considered in the analysis as the continents were only generically mentioned (Chen et al., 2011). Most of the studies rely on a sample from a single country. This choice, even if it results in a limited generalizability of the results, allows to obtain a greater internal validity thanks to the greater homogeneity of the sample (Cook and Campbell, 1979). It should also be emphasized that, when the research considers a sample composed of several countries or different cultures, some additional checks are necessary in order to guarantee the validity, reliability and comparability of the results; in particular, the equivalence of the sample, the construct and the measuring instruments must be verified, as suggested several times by the academic literature over the years (Mullen, 1995; Reynolds, Siintiras and Diamantopoulos, 2003; de Luca P., 2010).

On the other hand, among the products or associated categories included in the research, the largest number of studies, estimated around 70% of studies, consider the category of durable goods, while a smaller percentage of those propose an analysis on non-durable goods. A total lack of cross-sectional analysis considering durable and non-durable goods has to be highlighted. From the point of view of the different technical or technological complexity of the asset, there is instead a substantial homogeneity in distribution, while the effects of the country of origin with reference to the luxury market have been investigated in only a few articles (Balboni et al, 2011; Godey et al, 2011), even fewer when considering those concerning a specific service sector (Roth et al., 2008). The data show the existence of a limit linked to the difficulty of generalizing the results of a good part of the research, determined by the fact that the latter refer to single categories or types of products, rather than carrying out a transversal survey extended to a wider number of sectors, and above all of product categories. For what concerns the first kind data collection techniques, there is a clear use of methods based on the

surveys and questionnaires, to which a particular value of simplicity and practicality has been attributed, few numbers of experiments and even lower of interviews, an interesting case of which is a recent in-depth semi-structured interview by Knight and his group, in 2007. With reference to the first type of investigations: most of them use a self-administered method - the questionnaire is completed independently by the respondent, without the help of the researcher. As can be easily deduced, web-based ones are recently supplanting pen-and-pencil ones.

The research gap has been identified both analyzing the existing literature and their suggested future research. The one on which this study will be focused is the following: it concerns the different influence COO effect exerts in relation to different kinds of product category – in terms of durability - in association with the belonging of decision maker to the country of origin of one of the products proposed. Formally, the research question from which the research will be carried forward is: how does COO's exerted influence depend on products' level of durability and customers' belonging the COO in terms?

It is important to primarily underline what COO represents in this study. As it has been anticipated within the literature review, there are different conceptualizations of COO, introduced over time. It is broadly accepted by researches that COO, intended as the place where a product has been literally manufactured, tends to be valued as less relevant due to the complexity of underlying productive processes. On the other hand, country of design assumes a series of characterizations when considering just a specific kind of product and purchasing process – those concerning symbolic consumption for instance. Therefore, referring to COO is intended to be a reference to the place customers perceive as country of origin, basing on the associations with the product attributes, experience, general knowledge, and misleading promotional features as well. This is the definition the study will refer to.

Starting from the gaps highlighted through the literature review, the main characteristics of the study have been defined. Firstling first, it will be exclusively concentrated on an Italian-type sample, which, despite any problems of generalization of the results, will allow us to respond to the need to increase the number of concentrated studies on the reality characterizing the inhabitants of this country. In fact, this is not that much considered by the previous literature as a COO sample, but as an example of a strong associated country of origin image, in certain purchasing situations and certain product categories, such as within studies dedicated to Italian Sounding (Francioni, 2017; Temperini, 2016 ; Brunetti, 2018). In any case, the latter are almost never investigated among Italian people, but among abroad-foreign ones.

Moving forward, another feature is that the research will take place through a cross-sectional study, considering not just two different product categories. As already mentioned, the two product categories will be food and automotive, two categories of goods which presuppose a different type of evaluation by the consumer and in particular, with regard to their characteristic durability. Durable goods are defined as goods that can be used several times and therefore the same need over time, on the other hand, non-durable goods can be used only once, satisfying the need only at the time of use.

It can be reasonably assumed that durable goods, being usually more expensive and due to be used for longer times, are the object of a more complex decision-making process than consumable ones, and therefore require a more precise and weighted evaluation of the characteristics and features of the choice. With this in mind, a possible first hypothesis is

> *H1 : Respondents will attribute greater importance to COO information when considering durable goods than non-durable goods.*

If this hypothesis is correct, the study should end up showing that, once COO is revealed, respondents will change their mind in a higher percentage when considering car purchasing preferences, than when the choice is about food, namely oranges.

Moreover, through open-ended question, will be underlined which are the drivers of such prevalence, and if eventually respondents will state their-self a kind propensity in these terms. These will be analyzed through a qualitative analysis methodology: emergent coding. In fact, to perform a grounded analysis, without preconceptions or previous assumption, on-the-fly reading through the data codes and relevant themes will be listed. So then, they will become the framework from which the qualitative analysis will take cues. For example, it is assumed that the answers will tend at underlining the importance of durable concerning choice, or the relevance of the information in such a purchasing context, as well as any kind of tendency related to skepticism and ethnocentrism. The latter, as well as patriotism, concern a different focus of the analysis, even if it is the point around which both the general introduction of the topic and the literature review have been centered around, has not been presented as a view of analysis: belonging of customers to the same country-of-origin of product. This latter refers to customers' tendency to assess in a completely different way purchasing options according to where these comes from and whether products' COO matches with the one of the decision-maker.

With this in mind, a second important dimension which can be investigated is whether people will prefer home-grown or home-produced goods over foreign ones, especially in case where the latter are more convenient or superior in terms of performance:

H2 : Respondents will attribute stronger importance to COO information when the country of origin is their own country.

The results that will be presented are the result of an interpretation of the previously proposed data. Following the order below, the machines presented in the survey where both latter were foreign, were a Spanish machine and a German machine. The two purchase options were chosen because they were aesthetically very similar, with substantially identical structural characteristics, except for some value, but proposed with a price difference between one and the other, which would have been justified only in elements that were been hidden from the respondent: the country of origin and the brand. For this latter reason, the Spanish car was originally preferred, with a factor of 1,5, since 61 respondents out of 90 state a preference for that one. However, the preference decreases to less than a half of its original value once the country of origin is disclosed. Given that the two cars have identical technical specifications, the only difference being the favorable price of the Spanish car, the country-of-origin effect appears quite important. In this case, the amplification factor ends up being 2.3, which is to be compared with the non-durable category, according to the first hypothesis [Table 3].

Moving forward to foreign consumable goods, the oranges proposed by the survey were Tunisian and Spanish. The two oranges appeared aesthetically different - images as faithful as possible were provided - and the price component was also different: the Spanish orange, namely the orange B, was more expensive, at 1,89 euro/kg vs compared with 1,19 for the Tunisian. No other information about the option were provided. Initially, respondents expressed a preference for the Spanish orange, presumably for aesthetic reasons. After COO disclosure, the preference for Tunisian oranges decreased further, and the original preference for the Spanish orange increased, with an amplification factor of about 1,9 [Table 4]. Judging from the qualitative evidence (open responses in the survey), the result seems mostly due to the perceived higher quality of the good as supposedly guaranteed by EU regulations and standards. A full 45% of the respondents' choice was based explicitly on the country of origin. Most of those remaining stated that COO disclosure strengthened their previously expressed preference.

Regarding the first hypothesis, the two amplification factors - respectively 2,3 and 1,9 - show a greater propensity of respondents to change their mind once the COO is revealed, and therefore to give greater importance to the country of origin in the evaluation. The factor is larger when the reference asset is a car than when it is an orange. In this case, the first hypothesis is confirmed:

H$_1$: *Respondents will attribute greater importance to COO information when considering durable goods than non-durable goods.*

Once the first hypothesis is confirmed, it is up to the second to be proved. With reference to the second hypothesis, following recalled, the survey was created including Italian machines and oranges.

H2 : *Respondents will attribute stronger importance to COO information when the country of origin is their own country.*

As for cars, the two choices to test the hypothesis are an Italian car in comparison with a Japanese one. The Japanese car had a fairly decided primacy in terms of performance, while both cars had a similar price point. This leads to expect a larger desirability of car A, and indeed the preference in the absence of COO disclosure was for the Japanese car. After disclosure, however, the preference for the latter decreased to 60% of its original value [Table 5], and the Italian car rose by 40%, exceeding the absolute value of preference for its competitor. Thus the second hypothesis is also confirmed, since the extent of preference for the Italian product is higher and derives exclusively from the COO effect. Qualitative response concerning this choice highlights how Italy is not considered only as a country to which a high level of associated quality is paid per se, but how the respondents decided to prefer it since it is their home-country.

It is up to the comparison of Italian and Tunisian oranges. The two oranges chosen were an Italian, by definition, and a Tunisian. While in the case of foreign oranges the price difference was not considered as substantial, now the difference between the two oranges begins to become appreciable: while the Tunisian orange remains stable at a price of 1.19 euros per kilogram, the Italian orange is priced more than twice as high, 2.59 euros per kilogram. The results showed that the second hypothesis is confirmed. The original preference pre-disclosure fell, with a small impact, on the Italian orange, probably due to the quality characteristics perceived and deduced from the photo. The relevant evidence is that the original preference for Italian orange amplified by a factor of 6 upon disclosure, showing that Italians are very Made-in-Italy oriented when it comes to food.

Referring back to the first hypothesis, we note that the effect found for the foreign vs Italian car comparison is lower than the effect for oranges, which would not fit with the hypothesis. The reasons (confirmed by some of the open answers) are probably that the Japanese car chosen here is technically somewhat superior overall to the Italian car, and Japanese cars have a generally good reputation to begin with, at variance with the situation of the German-Spanish

car comparison. This would plausibly lead to a lower preference change. On the other hand, the much higher preference factor for Italian oranges most likely goes to show –or rather, confirm– that Italians are extremely Made-in-Italy oriented (and generally very picky) when it comes to food. It is likely that the preference for consumables different from food would be less extreme.