

The shielding effects of brand image against lower quality countries-of-origin in global manufacturing

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Abstract

Two studies are conducted, based on the framework of accessibility–diagnosticity and information integration. The goals of these studies are to examine the protective effects of brand image against lower quality countries-of-origin in global manufacturing. Study 1 shows that brands with high familiarity and high quality reputations (called *strong brands* hereafter) have much smaller perceived-quality discounting for lower quality countries-of-origin than brands with mediocre familiarity and mediocre quality reputations (*weak brands* hereafter). Study 2, conducted with a different set of brands and consumers from a different country, shows similar shielding effects of brand image as found in Study 1. The findings of judgment-weight allocation of Study 2 strongly support the hypotheses of accessibility–diagnosticity and information integration, explaining why the shielding effects of brand image occur. The authors discuss implications of the findings, especially with regard to the global manufacturing/country-of-origin management, and the brand management for strong and weak brands. © 2003 Elsevier Science Inc. All rights reserved.

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1. Introduction

Products are increasingly manufactured in countries that are not the original country of a brand (e.g., Japan for Sony), reflecting current global manufacturing trends and intense price competition in many industries (Baatz, 1999; Grimm, 1992; Saporito, 1992; Serwer, 1995; Welch, 1994). However, the new manufacturing countries often carry lower quality reputations than the original countries of brands (e.g., China, instead of Japan, in the case of Sony). These lower quality countries-of-origin may create some perceived-quality discounting to the consumers, although the products maintain the same brand names as the ones made in the original countries (cf. Cordell, 1992; Han and Terpstra, 1988). The degree of the perceived-quality discounting, however, may be quite different, depending on the quality reputation of the brands.

Brand management has attracted considerable attention in marketing literature because of its implications for competitive advantage and leverage (Aaker and Keller, 1990; Farquhar, 1989; Park et al., 1986; Smith and Park, 1992; Tauber, 1988). The focus of attention has been on how to measure brand equity (Aaker, 1992; Keller, 1993; Park and Srinivasan, 1994), how to manage and sustain brand image (Aaker, 1991; Park et al., 1986), and how to leverage brand image when a brand expands into other businesses (i.e., brand extension; Aaker and Keller, 1990; Boush and Loken, 1991; Loken and Roedder-John, 1993; Park et al., 1991; Tauber, 1988). However, the research has been surprisingly silent about whether brand image provides any competitive advantages for global manufacturing, which often bears a lower quality country-of-origin (cf. Shocker et al., 1994). Our study addresses this research gap, and may provide answers to why strong brands keep winning against weak brands through global manufacturing (cf. Saporito, 1992).

Country-of-origin, which delivers information about the place where a substantial portion of the product is made (section 304 of the Tariff Act; Ross, 1992), should deliver summary quality information about a product.

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Previous literature has identified country-of-origin as an important product attribute in evaluating product quality (Baughn and Yaprak, 1993; Chao, 1993; Erickson et al., 1984; Han, 1989; Han and Terpstra, 1988; Hong and Wyer, 1989, 1990; Johansson, 1989; Papadopoulous et al., 1988, 1990a,b; Parameswaran and Yaprak, 1987; Yaprak and Parameswaran, 1986). The original country-of-origin of a brand refers to the country where the product is originally designed and manufactured (Chao, 1993), whereas a lower quality country-of-origin refers to a country of “made in” where a substantial proportion of the product is manufactured, and which has a lower quality reputation than the original country-of-origin. Thus, a lower quality country-of-origin may reduce the perceived-quality of both strong and weak brands (Cordell, 1992; Han and Terpstra, 1988; Tse and Gorn, 1993; Witt and Rao, 1992). However, the degree of the perceived-quality discounting may be quite different, depending on the quality reputations of the brands.

This study examines why strong brands, which are well-known and have strong quality reputations, may have smaller perceived-quality discounting for lower quality countries-of-origin than weak brands that are lesser known and have mediocre quality reputations. The study is based on accessibility–diagnosticity and information integration theory (Anderson, 1971, 1991; Feldman and Lynch, 1988; Herr et al., 1991; Kardes and Kalyanaram, 1992; Lynch, 1985; Menon et al., 1995). This paper first discusses accessibility–diagnosticity and information integration, providing a theoretical foundation for Studies 1 and 2.

2. Theoretical foundation

Information integration theory (Anderson, 1971, 1982, 1991) suggests that consumers evaluate a product by assigning importance (i.e., judgment-weight) and quality rating (i.e., scale value) to each of its attributes (country-of-origin, brand, etc.). This importance (judgment-weight) and quality rating (scale value) information is then combined to form an overall evaluation of the product (i.e., averaging rule). Past research has provided more support for this averaging model than for the adding model in consumers’ evaluations (Anderson, 1971, 1982, 1991). According to the averaging model of information integration, *Sony TV* would be evaluated more favorably than *Sony TV made in Singapore*, reflecting the phenomenon that consumers average, instead of add, the given information.

Previous research on the averaging model has suggested that a different rating of an attribute, even in the same attribute dimension, causes different influence (different judgment-weight), depending on information distinctiveness (diagnosticity) (i.e., differential-weighted averaging model; Anderson, 1991; Oden and Anderson, 1971). Accessibility–diagnosticity theory explains why a

different rating even in the same attribute causes different influence (different judgment-weight) in consumers’ evaluation. Accessibility refers to the familiarity of a cue (i.e., the ease of retrieving a cue from memory; Fazio, 1990; Fazio et al., 1989), whereas diagnosticity refers to the sufficiency of the retrieved cue to solve the judgment task at hand (i.e., the distinctiveness of a cue; Feldman and Lynch, 1988; Lynch et al., 1988). Among the evaluative cues, those that are highly familiar and highly distinctive should play a more important role (i.e., carry greater weight) than cues that are less familiar and/or less distinctive. Therefore, even with the same attribute, more extreme ratings (i.e., more positive or more negative ratings) should play a more important role (i.e., carry greater weight) in the judgment task than less extreme ratings, due to their greater distinctiveness (greater diagnosticity). This greater importance (weighting) for more extreme ratings has been reported in various studies, including those on the negativity effect (Anderson, 1965, 1981; Kanouse and Hanson, 1972), the positivity effect (Skowronski and Carlston, 1987), and the seriousness of crimes (Leon et al., 1973).

The framework of accessibility–diagnosticity and information integration suggests that strong brands (e.g., Sony TV), which have highly familiar (i.e., highly accessible) and high quality (i.e., highly diagnostic) reputations, should attract larger judgment-weight in quality evaluation than weak brands (e.g., Fisher TV) that have less familiar (i.e., less accessible) and less distinctive (i.e., less diagnostic) quality reputations. Some brands may have highly familiar and highly negative quality evaluations for consumers, creating inequity for their brand names (e.g., Yugo automobiles). These brands are not considered here because they do not command equity for their names.

Similarly, the framework suggests that more diagnostic (i.e., more extreme quality-rating) countries-of-origin should be more influential in consumers’ quality evaluation than less diagnostic (i.e., more neutral quality-rating) countries-of-origin, given that consumers are familiar with the countries-of-origin (i.e., accessible). However, since the averaging model of information integration requires judgment-weights of attributes to sum to unity, more judgment-weight for a diagnostic cue means smaller judgment-weight for other quality signaling cues. That is, when a strong brand attracts large judgment-weight for its brand name, this leaves small judgment-weight for other evaluative cues such as country-of-origin. Thus, a strong brand that attracts large judgment for its name should be less influenced by country-of-origin information, resulting in insignificant perceived-quality discounting for a lower quality country-of-origin. For example, when consumers evaluate well-known and well-respected brands such as Sony, the brand names may dominate consumers’ quality evaluation. That is, the brand names can provide consumers with a shortcut for processing the product information (Roberts, 1995). Accordingly, consumers can pay less attention to other quality-signaling cues

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