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Preliminary Master Thesis Report

Country-of-origin and brand reputation effects on brand equity

Can a strong brand name strengthen or reverse country-of-origin effects on brand equity?

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Abstract

Interest of the topic – The concept of country-of-origin has been extensively studied with the apparition of multinational companies separating and outsourcing their operations worldwide. It is a concept of interest for marketers who need to determine whether or not using country-of-origin in their marketing strategy to enhance their product reputation and arouse purchase intention.

Purpose – The purpose of this study is to examine the effect of brand name over the relationship between country-of-origin and the four dimensions of brand equity (brand awareness, brand associations, perceived quality, and brand loyalty).

Framework – A conceptual framework is considered in which brand's country-of-origin is postulated to influence the four dimensions of consumer-based brand equity, which is composed of brand awareness, brand associations, perceived quality, and brand loyalty. Brand name acts as a moderator over this relationship.

Research question – The research question is to evaluate whether or not a strong brand name can strengthen or reverse country-of-origin effects on brand equity.

Design/methodology/approach – To accomplish this, the brand equity of high quality chocolates produced in Russia, Italy or Switzerland is examined. The effect of a premium brand name (Lindt) is analysed over this relationship in order to determine if the strong brand name can strengthen or reverse country-of-origin effects on brand equity. Data will be collected from students in two business schools located in Norway and France.

Introduction to the research topic

A large number of studies have demonstrated the influence of country-of-origin over the four dimensions of consumer-based brand equity, respectively brand awareness, brand associations, perceived quality and brand loyalty. One arising question is therefore to assess if some cues, like brand name, can compensate for a negative country-of-origin effect or strengthen a positive country-of-origin effect. This master thesis will focus on evaluating the relative power of brand name over the relationship between country-of-origin and consumer-based brand equity dimensions. Can a strong brand name strengthen or even reverse country-of-origin effects? This topic appears to be relevant and important for the field of international marketing management. Indeed, with the ever-increasing globalization and international business activities, the establishment of multinationals operating in several countries has become an increasing phenomenon. It is now common to observe brands from one country selling products to consumers in other countries (Hsieh, 2001). Multinationals seek different strategic objectives in expanding their operations across borders, among them the availability of cheap labor and/or reduced transportation costs (Haübl, 1996), the economies of scale' advantages (Schocker et al, 1994) and the opportunity for a global branding. Outsourcing has become a common strategic process in order to seek cheap labor costs prevailing in many developing countries to manufacture components parts, but also some design and engineering tasks by collaborating with foreign partner firms or establishing design centers overseas. Such phenomenon has conducted to a blurred definition of the country-of-origin and a multiplication of hybrid variety products manufactured by several countries. What is the product's "country of origin" of a brand from country X, manufactured in country Y and sold in country Z?

At the same time, the increasing competition has also encouraged companies to build a strong brand name. Such accomplishment can be realized by managing both the marketing-mix factors (such as advertising, distribution, price, and product quality) and the non-marketing mix factors (such as country-of-origin). Most of the brand equity research focus on the marketing mix variables, but not so much attention is given to the non-marketing mix factors such as country-of-origin. Building a strong brand name permits companies to establish an identity in the market place (Aaker, 1996), but also to be less vulnerable to competitive actions, to benefit from larger margins, greater intermediary co-operation and support, and brand extension opportunities (Delgado-Ballester and Manuera, Aleman, 2005). A brand's country-of-origin may be one factor that influences the effects of the brand on consumers, and can thus influence the choice of a firm's marketing strategy. That's how L'Oréal Paris carries the French image of fashion elegance, Twinings of London recalls the British tea culture, Volkswagen openly uses "Das Auto" in its international advertising, and IKEA uses Swedish flag's colors in its logo and typical Swedish names on its product series worldwide.

Definition of country-of-origin

The concept of country-of-origin appeared with the appearance of binational products, whose country-of-production was different than their brand's home country (Bilkey and Nes, 1982; Chao, 1993; Ulgado and Lee, 1993). In order to simplify our intention, we will thereafter use the abbreviation COO for country-of-origin. In the literature, COO has been divided into four cues respectively "country of brand", "country of manufacture", "country of assembly" and "country of design". Moreover, the COO effect is defined as "the impact of COO on consumer perceptions or evaluations of products" (Samiee, 1994). The relative importance on each COO component on consumers' evaluation is contradictory in the literature. Ulhgado and Lee (1993) argue that country of brand is more important for consumers, whereas Ahmed and d'Astous (1995) give a preponderant importance to the country of manufacture. According to Chao (1993), both cues are equally important and may interact to produce differential impacts on design quality and product quality perceptions.

COO is a multi-dimensional construct that can be separated in two components. The first one is the informational component. COO provides cues to consumers regarding the quality, dependability and value for money of the products, when more specific information is not readily available (Han and Terpstra, 1988; Hong and Wyer, 1989). The other component is the group affiliation, defending that COO reinforces one's sense of national identity (Bruning, 1997).

COO is known to have an effect on consumer evaluation of a product. According to the information-processing theory, consumers use products cues to form beliefs and evaluation about a product, and thus to make purchase decision. Since COO can be manipulated without changing the physical aspect of the product, it is perceived by the literature as an extrinsic cue, along with price, guarantees, warranties, brand reputation, seller reputation and promotional messages (Bilkey and Nes, 1982; Cordell, 1992, Erickson et al, 1984, Han and Terpstra, 1988, Hong and Wyer, 1989, Thorelli et al, 1989, Yong, 1996). Such cues act as "signals" for product quality (Steenkamp, 1990; Dawar & Parket, 1994). As brand name does, the COO can influence consumers' perceptions and lead consumers to cognitive elaboration (Hong and Wyer, 1989). Consumers use extrinsic cues when intrinsic cues are missing or hard to evaluate. Thus COO may also be perceived as a risk property (Cordell, 1993). COO as an extrinsic cues reduce the risk when consumers are unsure of the intrinsic cues of the product (Lim and Darley, 1997; Thorelli et al, 1988). Indeed, consumers may perceive more risk in buying products/services from country with an inferior image, or they can on the contrary seek to enhance their social status by buying products/services from countries with a superior image.

Country image

In the literature, country image is viewed as a combination of macro and micro country image. Srikatanyoo and Gnoth (2002) consider the macro country image, which is "the defined beliefs about a country's industrialization and national quality standards". Thus macro image focuses on the economic, political and technological situation of a country. Some other researchers view country image as consumers' general perceptions about the quality of a product made in a particular country, and thus focus on the micro country image (Han and Terpstra, 1988; Parameswaran and Yaprak, 1987). More recent researches argue that images of countries should not be defined as just macro and micro levels. Images of countries also represent everything else the country may be known for, such as nature, climate, politics, music, arts, architecture, religion, and people, their mentality and their way of living. (Nes and Gripsrud, 2014).

The micro country image permits to introduce another important terminology in the COO literature which is the product category-country association, defined as the consumers' ability to evoke a country when the product category is mentioned (Pappu et al, 2006). Tersptra and Sarathy (2002) go further by arguing that consumers can both associate countries with certain product categories and product categories with certain countries. They make the case for a bi-directional "product category-country associations".

Brand-country-of-origin knowledge

The relationship between COO and brand image has been extensively studied in the literature. COO is known to have an effect on brand image. Indeed, researchers mainly agree on the fact that consumers' brand image change according to country-of-production. For example, Han and Terpstra (1988) found that brand image of Japanese cars suffered erosion if produced in North Korea. Similarly, Nebenzahl and Jaffe (1996) observed that Sony suffered brand image erosion when made in the USA, whereas General Electric's brand image improved when made in Japan. Such examples reveal that brand image erosion not just appeared when the production of a product shift to a less developed country. An explanation for this phenomenon is given by Haübl and Erold (1999): when forming product quality judgments, consumers integrate brand and country-of-production information in a two-step process. First, consumers independently take into account the quality image of the brand and the quality image of the country-of-production. Then, they make an upward adjustment if they perceive a congruity between brand and country-of-production. This brand-country-of-production congruity has a positive effect on product quality judgments above and beyond brand and country-of-production main effects. An important consequence of this finding is that when manufacturing a brand in a lower-cost or higher-cost country, the resulting loss of brand-country-of-production congruity can always be expected to have a negative effect on consumers' quality judgments in addition to any negative COO effects.

But the brand-COO relationship is a two-way phenomenon and brand image also has an impact on COO image. Indeed, country's image can be impacted by the performance of major brands originating from that particular country (Kim and Chung, 1997).

Therefore, another common area of research is to evaluate whether a strong brand name can strengthen, soften or even reverse COO effects. Some researchers found that consumers' quality judgments are less affected by the COO when a product carries a strong brand name than when it carries a weak one (Johanson and Nebenzahl, 1986; Cordell, 1992; Tse and Lee, 1993).

Brand name and COO appeared to have a reciprocal effect, which can positively influence a brand reputation and become a competitive advantage. Indeed, a brand with stronger brand-COO knowledge is likely to dominate the consumer's brand-COO knowledge base about the competitive brand set (Paswan et al, 2004).

Country-of-origin effects on consumer-based brand equity dimensions

Several studies have demonstrated COO effects on consumer-based brand equity. For the purpose if this study, we will defined consumer-based brand equity using a marketing perspective as opposed to a financial one, that is to say "the value consumers associate with a brand, as reflected in the dimensions of brand awareness, brand associations, perceived quality and brand loyalty" (Aaker, 1991). Thereafter, we will use the abbreviation CBBE for consumer-based brand equity.

Many researchers found that COO effects can contribute to the brand equity of certain names (Shocker et al, 1994). Consequently, a COO perceived as inferior can stain a brand name (Thakor and Katsanis, 1997). Let us imagine the COO of a brand that were to change from a country with favorable associations (the USA) to a country with less favorable associations (Mexico). The brand names in question can be stained and the consumer-based brand equity of this brand weakened.

a. Brand awareness

Brand awareness is "the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category" (Aaker, 1991). Fostering brand awareness increases the chance that the brand will be in the consideration set (Nedungadi, 1990) which will influence consumers' decision making. Hoyer (1990) and Macdonald and Sharp (2000) both found that consumers who recognize a brand name are more likely to buy that brand because familiar products are normally preferred compared to less familiar ones.

b. Brand associations

Defined as "anything linked to the memory of a brand" (Aaker, 1991), brand associations are led in the minds of consumers by the COO. The associative network memory model (Anderson, 1993) explains this relationship between the COO and brand associations: brand associations are complicated links connected to one another, and consist of multiple ideas, episodes, instances, and facts that establish a solid network of brand knowledge (Yoo et al, 2000). Such associations can be forms by the consumer himself through direct experiences with the product, or through inferences based on existing associations (Aaker, 1991).

Both brand awareness and brand associations are influenced by the COO. In the purchase of electronic goods for example, consumers associate the quality of a brand with the image of the COO. Since consumers today are mostly well educated, it can be expected that they are well informed about the original country of their selected brands (Mohd et al, 2007).

c. Perceived quality

The perceived quality, which is "the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose relative to alternatives" (Aaker, 1991), influences consumer's choice and fosters brand equity. Moreover, from a financial point of view, high perceived quality can be an explanation for a premium price, which can create greater profit margin for the firm and thus stimulate brand equity (Yoo et al, 2000). Consumers' quality judgments is affected by COO. For example, Haübl and Elrod (1999) observed that consumers' quality perceptions of the Slovenian brand Elan were higher when the production was made in Slovenia than when the production was made in Germany.

d. Brand loyalty

Finally, the last component of consumer-based brand equity is the brand loyalty. For the purpose of the study, we considerate brand loyalty in its attitudinal aspect, defined by Yoo and Donthu (2001) as "the tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as a primary choice". Attitudinal brand loyalty directly thrives brand equity: if customers are loyal to a brand even in the face of competitors' brands with superior features, it means that the brand has a substantial value to the customers (Mohd et al, 2007). Mohd et al (2007) demonstrated that a good image of the COO leads to a high degree of customer loyalty in a case based on electronic goods in Malaysia. They explained this relationship arguing that Malaysian consumers perceive countries with good image as technologically advances countries and brands that originate from these countries as reliable and of premium quality.

The four dimensions of consumer-based brand equity (brand awareness, brand associations, perceived quality and brand loyalty) indirectly affect the brand equity (Mohd et al, 2007), and consequently are a source of competitive advantage and future earning streams (Aaker, 1991).

An important framework in considering COO effects on product evaluation is the one of Obermiller and Spangenberg (1989). Indeed, they divide COO effects on three categories, respectively cognitive, affective and normative.

The cognitive dimension argues that COO is used as a signal for overall product quality and quality attributes, such as reliability and durability (Li & Wyer, 1994; Steenkamp, 1989). Consumers would share some cultural stereotypes concerning product-country images. The cognitive component is also relevant in the evaluation of high quality technical products. Indeed, consumers recognize that the production of high quality technical products requires some technical skills and training, and in consequence they perceive that such products are more qualified when produced in developed countries.

The affective component views COO as an image attribute that links the product to symbolic and emotional benefits, including social status and national pride (Askegaards & Ger, 1998; Batra et al, 1998). Consumers built some emotional and affective connotations regarding a country based both on their direct experiences (during holidays or encounters with foreigners) and their indirect experiences with countries and their citizens (through art, education and mass media). These connotations have a direct impact on consumers' product evaluation and brand attitude. In this way, an animosity toward a certain country can be a source of negative evaluation toward its products. Smith (1990) used the terminology "customer voting" to illustrate how consumers "vote" in favor or against the policies and practices of a government by purchasing or avoiding its country's products. For example, Klein et al (1998) demonstrated that Chinese consumers' willingness to buy Japanese products is affected by the geopolitical rivalry between the two countries. Similarly, Obermiller and Spangenberg (1989) found that an Arab-American recognizes the superiority of Israeli optical instruments, but keeps having a negative attitude towards these products caused by an animosity toward Israel. On this point, it is important to emphasize that such phenomenon is limited to specific case in which the animosity is very strong. On the contrary, there are some situations named “buycotts” where consumers purchase products from a certain country as a reward of their “sympathy” (Friedman, 1996).

The affective component is also related to consumers’ self-esteem. Indeed, consumers make associations toward COO such as autobiographical memories, national or ethnic identities, and they relate COO to feelings of “status” and “pride” associated with the product ownership (Hirschmann, 1985; Batra et al, 1999; Botschen and Hemettsberger, 1998; Fournier, 1998). COO acts as a signal of an “expressive” or “image” attributes and helps consumers to “embrace esteem, social and self-actualization needs” (Mittal, Ratchford and Prabhakar, 1990). Image attributes can also reveal consumers affiliation to a group (Lefkoff-Hagius and Mason, 1993).

Finally, the normative dimension supports that purchasing domestic products may be regarded as a “right way of conduct” because it supports domestic economy (Shimp & Sharma, 1987). In this case, consumer ethnocentrism serves as an important motivation for the decision to purchase domestic products. Conversely, consumers may avoid buying goods from countries with objectionable activities or regimes (Smith, 1990; Klein, Ettenson & Morris, 1998).

In Obermiller and Spangenberg’s framework, cognitive, affective and normative processes are not separated but constantly interacting.

Country-of-origin effects on consumer decision making

After demonstrating COO effects on consumer-based brand equity, we can also demonstrate COO effects on consumer decision making. Most of the studies suggest that COO information which is indicated by the “made in…” label serves several purposes in consumer decision-making. Johansson (1989) argues that

COO acts as a salient attribute in consumer product evaluation. Hong and Wyer (1989) view COO as a stimulator on consumer's interest in the product. But COO is also perceived as a determinant of consumers' behavior. For example, Fishbein and Aizen (1975) argue that COO affect behavioral intentions through social norms. COO is also known to influence buyer behavior through affective processes as in the case of consumer's patriotic feelings about their own country (Han and Terpstra, 1988).

After analyzing the impact of COO on consumers' perceptions and behavior, an important question is to examine whether emphasizing a COO of a product is always a successful and long-lasting strategy.

Country-of-origin as a contextual phenomenon

a. Country-of-origin is product specific

COO has been demonstrated to be product specific (Nes and Gripsrud, 2014). A country may have an excellent reputation as the origin of one category of products and a poor reputation in other category of products. Thus COO image can match attractive product characteristics in one product category, but have no value, or even a negative value in other categories. For example, Leclerc, Schmitt and Dubé (1994) found that a French-sounding brand name was a competitive advantage on evaluation of "hedonic" products such as perfume and wine, but wasn't on the evaluation of "utilitarian" products like cars and computers. Sometimes, COO is even model specific as in the automobile industry (Chao and Gupta, 1995).

This findings also demonstrate that the strength of the association between COO image and purchase decision depends on whether the COO image matches important product attributes. Roth and Romeo (1992) named this phenomenon "product-country matches" while Usunier and Cestre (2007) named it "product ethnicity". Indeed, Roth and Romeo explained that "consumers' evaluation of a specific product from country X are based on the match between product and country. Consumers prefer country X as an origin for a specific product when they believe that there is a match between the perceived "strengths" of country X and the skills that are needed for manufacturing the product under consideration".

Moreover, a consumer’s country image beliefs in relation to a familiar product category can be transfer to new products of the same country (Agarwal and Sikri, 1996) through a phenomenon commonly named “transference of beliefs”.

Zafar et al (2001) put the analysis further in investigating COO effects in a service industry. They found than consumers rely more on COO cues in evaluating services, when purchase and consumption are usually simultaneous and which constitute a higher risk for the consumer than the purchase of manufactured products, which is usually protected by warranties, guarantees and local consumer protection regulations.

b. Country-of-origin varies by culture and consumer nationality

Studies of consumer ethnocentrism and national loyalty indicate that attitudes and intentions are affected by one’s sense of loyalty to a nation and to other macro-oriented groupings (Bruning, 1997). Consumers tend to prefer domestic products when their sense of national loyalty is strong. Thus COO effects vary according to the nationality of respondents. According to Okechuku and Onyemah (1996), consumers from developing countries prefer products from developed countries and their perceptions tend to be more stereotyped. An illustration of this phenomenon is visible with Mexicans that tended to prefer US and Japanese goods (Bos, 1994). Koreans have also been found to be more intransigent than Americans against products from less favorable countries (Nebenzahl and Jaffe, 1996).

Some other demographic determinants of brand-COO knowledge are the level of education, the socio-economic class and the habit of traveling (Paswan et al, 2004). Concerning the level of education, as consumers are more knowledgeable of other countries and cultures, they are likely to be more tolerant of things that are different and thus more accurate about brand-COO knowledge. Similarly, people from upper class are likely to have more access to information, to travel more often and to be more exposed to other cultures. Thus they are likely to be more aware of existing multinationals and their respective COO.

Another psychographic variable on which COO effects depend is the consumer's motivation. Under low motivation, consumers want to use the minimum cognitive effort to form their judgments about a product, and COO offers a basis for doing so. On the other hand, under high motivation, COO information may be used as one of the product attributes instead of an overall basis for judgment (Maheswaran, 1994).

According to Hampton (1977), COO image is linked to the risk perceived by customers. He found that the risk perceived for products manufactured in a foreign country was higher than for those manufactured in the same country. He argued that in a low-risk situation, consumers tend to base their products evaluation on price, whereas in a high-risk situation they tend to relate on quality and location.

c. Country-of-origin as a dynamic construct

An important fact to consider when evaluating COO effects is that competitive context changes over time. The global diffusion of production technology, as described by Vernon's (1966) international product life cycle theory, enables developing countries to establish their own competitive position in the global market. Kim and Chung (1997) demonstrated this argument with the example of Japan which strengthen and improve its country image over time. Thus COO image is a dynamic construct that can evolve over time in both directions.

The country-of-origin controversy

Finally, COO seems to have an important impact on consumer's evaluation and behavior. Giving this literature review an important question is raised: is it possible to compensate for a negative COO? According to Thorelli et al (1988), the presence of other cues, such as brand name, product warranty, or a prestigious retailer can compensate for a negative COO image. Cordell (1993) argues that when the product carries a famous brand name, it can counteract consumers' negative COO perceptions of less developed countries. Schooler, Wildt and Jones (1987) argue that product warranty moderates COO effects by compensating for a poorly perceived country stereotyping in consumer product evaluations. Similarly, Chao (1989) claims that store reputation can be used to effectively overcome negative COO image.

A single cue might provoke a false significant cue effect (Bilkey and Nes, 1982). Thus a multi-cue approach is crucial in investigating the impact of COO on consumers' product evaluation and behavior (Erickson et al, 1984). Indeed, it is the perceived importance of COO cue *regarding* the others that determine COO effects (Eroglu and Machleit, 1988).

Another important interrogation is whether COO has a significant impact on consumer's purchase decision. According to Erickson et al (1984), COO has a significant effect only on specific product attributes but can't influence by itself the consumer's purchase decision. Johansson (1989) also found that important purchases are not greatly influenced by COO. Indeed, as consumers become more familiar with the product, COO effects become less important.

Another important variable which impacts COO effects is the geographic area where COO effects are evaluated. Indeed, according to Verlegh (1999), COO effects are larger in studies that compare products from More Developed Countries (MDC) to products from Less Developed Countries (LDC), than in studies that compare products from either MDCs or LDCs.

Framework

The figure 1 below presents our proposed model for the study.

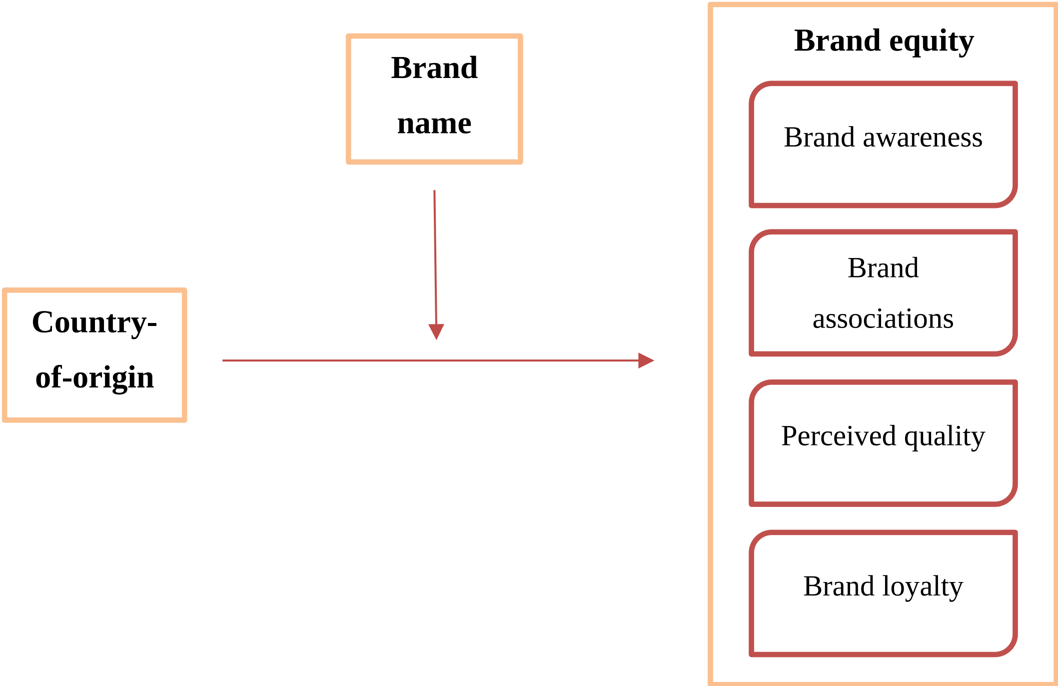

Figure 1: proposed model.

Country-of-origin is the independent variable and has a direct impact on the four dimensions of consumer-based brand equity (brand awareness, brand associations, perceived quality and brand loyalty). The four dimensions of consumer-based brand equity are the dependent variables of the model. But this impact is influenced by a moderator which is the brand name. Brand name moderates the impact of country-of-origin on the four components of consumer-base brand equity by affecting the strength of the relationship.

Research questions and objectives of the thesis

This thesis will consider the proposed framework (Figure 1) and evaluate the relative power of the moderator which is the brand name over the relationship between COO and CBBE dimensions. Assuming that COO has effects on CBBE dimensions, the objective of the thesis is to evaluate whether a strong brand name can strengthen or even reverse these COO effects.

Therefore our hypothesis are the following.

H1: Consumer-based brand equity is less affected by the COO when a product carries a strong brand name.

H1a: Brand awareness is less affected by the COO when a product carries a strong brand name.

H1b: Brand associations are less affected by the COO when a product carries a strong brand name.

H1c: Perceived quality is less affected by the COO when a product carries a strong brand name.

H1d: Brand loyalty is less affected by the COO when a product carries a strong brand name.

As seen in the literature review, a multi-cue approach is crucial in evaluating the impact of COO on consumers' product evaluation and behavior. In this way the master thesis will evaluate the perceived importance of COO cue regarding another cue which is the brand name. Many researchers found that the effects of COO on CBBE may be moderated by variables such as consumers' product category-country associations but to our knowledge no one has studies the impact of brand name.

This research will be of practical value for managers because it would help them to choose whether to concentrate on leveraging the brand name reputation or the country-of-origin reputation. Moreover, it would help managers of products from a negative COO to decide if they can overcome this negative perception by leveraging the brand name of their products.

Research method: a plan for data collection

As COO is known to be product specific, the master thesis will focus on only one product category which is high quality chocolates. High quality chocolates are quite expensive products relative to their generic counterparts. Therefore, they are high involvement products with a certain amount of risk associated with them. Consumers often buy them for special occasion or even as a gift. Therefore, consumers must have acquired some brand knowledge and develop choice criteria before making a purchase decision. Moreover, to our knowledge this product category hasn't been studied before and could therefore fill a gap in the area of topic.

The premium chocolate brand Lindt was chosen to test our hypothesis. Lindt is a Swiss chocolatier and confectionery company founded in 1845 whose headquarters is located in Zürich. The brand is famous for its chocolate truffles and chocolate bars, among other sweets. Lindt benefits from a strong brand name and is therefore of interest for the purpose of the study. One pre-study test would permit to confirm that Lindt benefits from a strong brand name's reputation among the studied population.

In order to test our hypothesis, three different questionnaires will be distributed randomly to our sample. Each questionnaire will be differentiated by the COO revealed for the Lindt brand. The three different COO will be associated with different COO effect, respectively negative, neutral, and positive, in order to have a complete view of the model and the interactions. The first questionnaire will specify Russia as the COO of Lindt brand. In this case, we can expect an incongruity between brand and country image, and therefore a negative COO effect. The second questionnaire will specify Italy as the COO of Lindt brand. In this case, we can expect a neutral congruence between brand and country image, and therefore a relatively neutral COO effect. Finaly, the third questionnaire will specify Switzerland as the COO of Lindt brand. In this case, we can expect a high congruity between brand and country image, as Switzerland is globally recognize as chocolate's country of origin. Therefore COO effect is expected to be important in the latter case. The research design is summarized in the table below.

COO	**Expected COO effect**	**Brand name**
Russia	Negative product-country match ➔ Negative COO effect	Lindt - Famous
Italy	Neutral product-country match ➔ Neutral COO effect	Lindt - Famous
Switzerland	Positive product-country match ➔ Positive COO effect	Lindt - Famous

Each survey will be based on three parts. The aim of the first part will be to capture respondents' COO image of Russia, Italy or Switzerland, their product category-country associations with high quality chocolates, and the effect of COO over the four dimensions of consumer-based brand equity (brand awareness, brand associations, perceived quality and brand loyalty) without revealing the brand name. The first part will permit to confirm the expected COO effect for each country: Russia (negative), Italy (neutral) and Switzerland (positive). The second part will focus on evaluating COO effect over the four dimensions but after revealing the brand name (Lindt) of the chocolates. Finally, the last part will pay attention to respondents' demographics questioning them about their age, gender, country of birth and length of stay in the country of study. This part will permit us to observe whether some moderating factors –such as culture and consumer demographics- may have significant influence on consumers' perception and therefore be the root of some COO bias.

For the accommodation of the study, our research questionnaire will be distributed to students from two business schools: BI in Oslo (Norway) and EDHEC in Lille (France). The paper will consider that the magnitude of the COO effects does not differ between studies using student samples and studies using "representative" consumer samples (Verlegh, 1999). Therefore no COO effects bias should be created with this choice. Moreover, France and Norway were chosen as sample's location of the study because Lindt is a brand from Switzerland, and therefore no COO effects bias should be created by using French and Norwegian consumers. Finally, France and Norway are both developed countries and business school students from these two countries can be assumed to share relatively common background concerning education, socio-economic class and habit of traveling. Assuming that COO effect varies by culture, the survey will pay attention to the demographics of the respondents but as Norwegian and French culture can be considered as quite similar, no bias should be observed.

Time plan for the completion of the thesis

1st of March	Preliminary Master Thesis Report submission
March	Literature Review completion Development of research model and hypothesis
April	Research design of the study Data collection from the questionnaire
May	Data analysis and results - Data material - Missing data - Normality - Reliability - Validity
June	Discussion and implications
July	Limitations and future research Conclusion
August	Finalization of the master thesis: - Page layout - Acknowledgements - Abstract - Introduction - References - Appendices
1st of September	Master thesis submission

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