COUNTRY OF ORIGIN EFFECTS ON CONSUMER COGNITIVE PROCESSING

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Declaration

The author declares that to the best of his knowledge this dissertation contains no material that has been used in conjunction with any previous degree, diploma or award, within this university or any other institution. The dissertation encompasses no content that is published or written by another person, except where due reference has been made.

Chris Morton
November 2006
Abstract

This exploratory study investigated the use of country of origin (COO) cues within a fruit and vegetable environment. While COO effects have been studied diversely, little research exists within the Australian field. With new government laws and regulations concerning country-of-origin-labeling enforced, affects concerning COO information on consumer cognitive processing has become vital for companies to understand, aiding in effectively marketing their products. Furthermore, the use of single cues within previous research has compromised validity of results, generalizing that COO has a large affect of consumer evaluations. The use of multiple cues within this project identifies that COO still remains prominent in a purchase evaluation, which is contrary to recent findings. The research intends to build on the work of Han (1989) in assessing the COO affect in both high and low knowledge situations using multiple cues (COO, price and quality information). In contrast to previous research, this study utilises low valued items, aiding in assessing if COO cues are diminished with the introduction of multiple cues which previous literature has suggested.

The literature review examined COO phenomena over a range of cultural settings regarding different sets of products. The literature explored the relevance of COO cues in cognitive processing and identified studies which have confirmed or disproved the effects COO has on the consumers purchasing decisions. As previous literature has focused predominantly on high valued products, this research project offers a unique perspective of COO affects through the use of low value items. This research attempted to extend on the COO phenomena previously identified though the literature review to acknowledge the importance of COO from an Australian perspective.

The research used an exploratory, deductive approach using propositions to guide the project. The research employed a qualitative methodology, primarily using focus groups.
Results from the focus groups indicate that COO cues do indeed impact on the cognitive processing of consumers. Furthermore, COO cues were utilised by participants as a brand recognition tool, substantiating the affect in which COO cues have on a purchase evaluation. The results demonstrated that;

1. COO remains prominent in both high and low experience states,
2. The value of the product does not result in a decrease in the COO effect, &
3. COO is not diminished within a multiple cue environment.

The results provided recommendations illustrating that availability of quality information in a produce department may be emphasised to consumers aiding in increasing awareness of value to low experience products. Furthermore, as numerous participants perceived foreign items country image as superior to Australia’s, the need for advertising campaigns of domestic items to increase the perceived value of Australia COI becomes vital for increased sales of domestic produce.
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Chapter 1

Introduction

1.1 Introduction

With the emergence of laws mandating labeling of unpackaged fruit and vegetables Australia wide (*A feasibility study into extending country of origin labeling to selected packaged fruit or vegetables whole food produce*, 2006), CoOL (country of origin labeling) has developed into a foremost issue with supermarkets pertaining to consumers utilisation of product information in both a negative and positive manner.

Comprehension of cognitive processing of consumers aids in understanding the importance of COO (country of origin) effects on product evaluations. The purpose of this study is to determine if COO affects consumers cognitive processing when presented with a range of information. The use of low valued products ie. fruit and vegetables offers a unique view, due to a lack of previous research, in how COO affects consumers cognitive processing in an Australian context.

This chapter seeks to identify the background to COO and justification for this study. Chapter 1 outlines in detail the scope and objectives of the study and provides an overview of the projects chapters.

1.2 Background to the research

The affects of COO cues has been studied extensively over the past four decades. Schooler (1965) became one of the first recognised scholars to examine COO effects on product evaluations, concluding that COO did indeed influence consumers’ product perceptions and decision making abilities. Over the next four decades COO issues have been widely developed in extensive settings, including the use of high valued tangible products such as automobiles and television sets. While it is noticeable that little research
contributed to the COO body of knowledge using low valued items, it has been demonstrated previously that COE (country of origin effect) is prevalent in high valued items (Okechuku, 1994).

The horticulture sector, including; nuts, fruit, vegetables, nursery and flowers is Australia’s second largest agriculture sector providing an average of $6.9 billion to Australia’s GDP each year. Within Australia, 108,000 people are employed through horticulture or close to 0.54% of Australia’s workforce (A feasibility study into extending country of origin labeling to selected packaged fruit or vegetables whole food produce, 2005). Thus, it is necessary for the industry to sustain itself and compete effectively with foreign items. Therefore, new CoOL has recently been introduced to ensure that this industry remains viable for a sustained period of time.

While Australia’s agriculture industry has an expanding scope, consumers confront situations where no domestic alternative exists or on many occasions, an evaluation is made when both foreign and domestic products are available (Phillip & Brown, 2003). As situations such as these are common practice within Australian supermarkets, the use of cues becomes vital in changing purchasing decisions of consumers. The mandating of new laws will impact upon the decision making of consumers, yet the magnitude of the affect is thus far yet to be established.

Earlier studies involving the use of COO cues generally established a negative relationship between extrinsic cues in conjunction with product familiarity and experience. Recently this trend has changed towards a more positive influence on consumer decision making as demonstrated through the works of Huddleston, Good & Stoel (2000). Their study along with previous literature illustrated that the use of a mult cue method showed that COO cues have less of an affect when presented with other cues such as price and quality (Bilkey & Nes, 1982). Furthermore, Agrawal & Kamakura (1999) note that many previous studies using a singular cue does not replicate real life situations where often consumers have multiple cues such as warranty, price, brand names and the physical product itself to form a purchase decision. Thus, validity of
results suggesting that COO has a large impact on cognitive processing of consumers is misinterpreted as realistically consumers will not base their decision on a single cue, due to availability of additional cues impacting any perceived value of the product.

Previous researchers have tested the use of extrinsic cues (Han 1989; Dawar & Parker, 1996). Their research has tried to relate how cues can be linked to being used as indicators of perceived quality and value of a product. The result of these studies showed that linkages could be made between extrinsic cues, perceived quality and value of a product. The extent to which these cues affect the perceived value is not defined within previous studies, demonstrating that COO cues can still remain a highly effective tool in a multiple cue environment.

Janda & Rao (1997) postulate that past research has failed to consider personal effects that the cognitive processing of consumers places on the perceived product value. Cultural stereotypes and personal beliefs regarding country images influence prominently on consumers perceived value. Han (1989) articulated that consumers with low knowledge of a product are likely to use COO information to fulfill their beliefs. His research indicates that a positive or negative link between cues and cognitive processing could exist, dependant on the level of experience individuals have with the product. Reciprocally, Han & Terpstra (1988) and Janda & Rao (1997) conducted their studies in high valued tangible product settings. There has, however, been little research conducted into these phenomena measuring COO effects using low-value products.

During the purchase decision of a low-valued product, attenuation of time is taken to consider information affecting consumers’ decisions. Beliefs and attitudes towards a product can be affected by scarce information presented to consumers. Commonly with packaged, high value products, information cues such as warranty, brand name, store name and materials used are offered to consumers. These cues are not offered to consumers with fruit and vegetables. Therefore, the amount of information available to consumers has diverse changes the perceived value of the product, affecting the purchase evaluation.
Labeling policies have been used previously as a substitute for more restrictive forms of government regulations (Verbeke & Ward, 2003). The introduction of CoOL laws ensures that consumers are able to make an informed decision, allowing domestic items to compete effectively with foreign produce. With the emergence of new COO laws within Australia (Refer to Chapter 1.3 - Justification for this study) in conjunction with scarce research into COO multi-cues presentations regarding low valued products this contributed motivation for the current research project to examine COO effects using product settings within the fruit and vegetables division.

1.3 Justification of this study

This explorative study aims to help ascertain the nature of consumers’ usage regarding COO information cues when purchasing low valued products. The study examines impacts that cues such as COO, price, COI (country of origin image) and quality information have on cognitive processing of consumers during a purchase decision. Previous studies such as Phillip & Brown (2003) were conducted with low valued packaged grocery products within Australia. This study proposes to distance itself from this paradigm of food evaluations and focus uniquely on unpackaged fruit and vegetables. Furthermore, Skaggs, Falk, Almonte, & Cárdenas (1996) illustrate that as food marketing continues to become globalised, the need to comprehend consumer behaviour utilising food products is becoming imperative.

Previous scholars have postulated that the magnitude of the COO effect is related to the nature of the product (Han & Tepstra, 1988; Lampert & Jaffe, 1998). Products that are technically complex or expensive are more likely to be affected by COO than products which are inexpensive and low in technical complexity (Wall, Liefeld & Heslop, 1991). Such conclusions provide opportunities to explore this notion and the extent to which this concept is valid.
Although a significant amount of academic studies have explored a range of COO issues, there appears to be a significant deficiency which has focused primarily on cognitive processing. Furthermore, the fruit and vegetable division has seldom been used as the main product variable during previous studies. Janda & Rao (1997) emphasise that no effort has been made to understand COO affects on the cognitive structure of consumers in both high and low experience settings when generating a product evaluation. Thus, fruit and vegetables offer a unique perspective on how consumers utilise cues to conclude a purchasing decision. This situation also provides an opportunity to select various fruit and vegetable products which match both high and low experience states of consumers, effectively measuring differences in how COO cues are used within such settings.

As of the 8th of June 2006 the new Standards Act 1.2.11 will be enforced for fresh produce to accentuate the Trade Practices Act which was previously introduced in 1998 (A feasibility study into extending country of origin labeling to selected packaged fruit or vegetables whole food produce, 2006). The laws ensure that all unpackaged items within produce departments are strictly enforced with CoOL on every product. With auxiliary laws impacting the degree of information given to consumers, fruit and vegetables have unexpectedly developed into a foremost issue within Australian supermarkets pertaining to impacts on marketing techniques used with foreign and domestic items. Supermarkets can no longer use items without the austere mandate of CoOL and thus, must determine affects that COO cues have on consumers buying behaviour. By examining the nature of the industry it is obvious that COO issues have recently become of concern to the supermarkets.

While previous studies have utilised single cue methods, this research project intends to include multiple cues. The use of multiple cues will accurately assess the level in which COO cues impact on cognitive processing and the degree in which this is affected with the introduction of multiple cues. The multi-cue method ascertained effects of COO on product evaluations more thoroughly than previously discussed conventional single cue methods, validating the research topic and approach effectively, while offering a unique prospect to explore an affect which has not previously been studied. The use of multi-
cues within a research project helps to reflect the realistic amount of information available to consumers within a supermarket, therefore adding value to the research scope. The previous literature has suggested that with the introduction of multiple cues, the value in which consumers can take from the COO cues is diminished. This research project intends to test this theory in low-value items, across both high and low experience situations.

An opportunity exists to examine if cues such as COO impact the cognitive processing of consumers with low valued items. The results may be used as a foundation of implementing new marketing strategies within the fruit and vegetable section, and provides a foundation for further research into this new area.

1.4 Scope of this study

The scope of the study is clearly confined to selected variables assessed during focus groups. Particular demographics will be expediently selected to encompass a range of consumers’ participating within the focus groups.

The scope is defined to age and gender demographics, using high and low product knowledge, in both high and low experienced situations, as a means assessing the affect in which COO cues have on a consumers purchase evaluation. Analysing limited variables offers an insight into differences between gender and age in cognitive processing. Expanding more variables into the study will place significant time constraints on the project, and therefore is impractical at this current level.

1.5 Research approach

The research will take a deductive, exploratory approach. The research is building upon existing theory to shape research propositions and objectives. The project explores trends in the market place, rather than explaining trends or substantiating hypotheses. The methodology adopts a qualitative approach with the use of focus groups. In accordance
to exploring relevant trends, a qualitative approach aptly suits an exploratory study. The research will also adopt an interpretivism method seeking to understand the reality of COO effects on cognitive processing.

Bilkey & Nes’ (1982) review of COO literature noted that many studies employed the use of single cues. This resulted in COO being embellished by previous researchers. Furthermore, it was seen that studies using self-reports, that is a ranking scale, were also more probable to exaggerate the use of COO as this was the only extrinsic information available. Using multiple information cues in a focus group environment allows this research to remove itself from the traditional paradigms and offer a unique and effective in-depth method of collecting data. This also increases the validity of data collected as it reflects real life purchase situations, which in previous studies has been queried. This approach aids in overcoming problems in a single cue situation by representing consumer attitudes of a product’s attributes, reflecting an informed decision.

1.6 Proposition guided project

Research propositions are structured to closely anticipate outcomes of the project. The purpose of the report is to understand new phenomena and gain supplementary insights which could not be obtained through the literature review.

Many previous studies used an international perspective. Many studies were conducted with high valued, tangible goods such as mountain bikes and automobiles (Agrawal & Kamakura, 1999; Han, 1989; Gurhan-Canli & Maheswaran, 2000; Knight & Calantone, 2000). Little empirical work has been conducted from an Australian perspective, while general studies of COO effects regarding fruit and vegetables were almost non-existent. Thus, it was necessary to devise a proposition guided project in order to depict relationships of variables, rather than employing hypotheses to verify theories. Hypotheses were not utilised due to little previous literature findings being available to correlate with this research project results.
The research propositions developed for this study consist of:

**Proposition 1:** Cognitive processing will be effected by COO cues in a low experience state. Furthermore, quality information will become a greater asset to infer perceived quality of the product than that of price.

**Proposition 2:** COO is seen as a brand name in unpackaged fruit and vegetables.

**Proposition 3:** Demographic variables will impact upon the cognitive processing of consumers.

**Proposition 4:** COO information will have less influence over product evaluations when consumers have previous experience of the product.

### 1.7 Objectives of the study

Research propositions have been developed to express areas in which the proposal wishes to explore further. Research objectives are designed to correlate with research propositions. The research objectives focus on key areas of study for the project and are devised directly proportioned to the research questions.

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<th>Research Objective</th>
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<td>Cognitive processing will be effected by COO cues in a low experience state. Furthermore, quality information will become a greater asset to infer perceived quality of the product than that of price.</td>
<td>To gain insight of cognitive processing when presented with different levels of country-of-origin information.</td>
</tr>
<tr>
<td>COO is seen as a brand name in unpackaged fruit and vegetables.</td>
<td>To explore if COO in unpackaged fruit and vegetables gives consumers a brand recognition during a purchase decision</td>
</tr>
<tr>
<td>Demographic variables will impact upon the cognitive processing of consumers.</td>
<td>To examine the relationships of variables impacting on consumer attitudes.</td>
</tr>
<tr>
<td>COO information will have less influence over product evaluations when consumers have previous experience of the product.</td>
<td>To gain insight of cognitive processing when presented with COO in regards to a product that participants have previously used.</td>
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1.8 Benefits of the study

The study proposes to examine COO effects on consumer cognitive processing from an Australian perspective. The benefits of the study are:

1. The study is taking an exploratory approach, trying to explore COO phenomena, rather than setting out to offer explanations. An exploratory approach will contribute to the COO body of knowledge provided by previous researchers by providing unique views of COO cue usage using low value items.

2. The introduction of laws mandating the use of CoOL in Australia opens opportunity to explore affects on cognitive processing of consumers and if consumers are more likely to purchase Australian or foreign grown products.

3. An Australian perspective is taken to assess the COO phenomena from an Australian point of view. Previous literature has failed to recognise these phenomena in Australia.

4. Concentrating on low valued products offers uniqueness to the study as previous research has only identified high valued products. The study may identify different cognitive processing attitudes of consumers when presented with COO information which may not have been researched previously.

5. The use of multiple cues will help in validating the data and replicating the real marketplace. Previous literature has suggested that COO is diminished when multiple cues are introduced. As this study will be utilising low valued items, this offers a unique perspective on exploring if these phenomena actually exist within this environment.

6. Awareness in importance of COI by Australian farmers will be recognised, and the importance of offering a cheaper alternative will be gauged on which cues participants consider providing most value to the product.
1.9 Limitations of this study

The project consists of various limitations affecting overall outcomes. Firstly, the size of the study is recognised as a major limitation. As there are only 20 candidates assessed, the market size is not fully representative of the overall market attitude towards COO and cognitive processing. Assessing only limited numbers of consumers reduces credibility and validity of the study. It does, however, allow the researcher to assess participants in detail and offer an insight into beliefs and attitude behaviour, as opposed to assessing specific numbers in a quantitative, large sample sized research project. The opportunity to assess beliefs, attitudes and cognitive processing can not be closely monitored in a quantitative survey.

The variable culture offers an insight into diverse consumer decision making. The study scope does not allow for culture to be assessed as a variable in conjunction with age and gender. Culture and social class are two variables that could be utilised in further studies into COO effects on cognitive processing. These, however, are not defined within the boundaries of this research project’s scope.

Products used in this study are confined to one area in particular, fruit and vegetables. There is no opportunity to explore a range of products which may bring different results to the project. Using different products (or variables discussed previously) may allow for the research project to take upon an explanatory, hypotheses analysis approach in preference to a proposition driven method. Reasons for not expanding into different markets or variables are confined around strict time limits which the research project is guided. An honours level project, there is limited time, resources and depth in explaining phenomena. It is therefore conceived, a smaller project with clearly defined scope and boundaries are of greater importance than exploring numerous areas. A clearly defined scope offers the research to explore in-depth phenomena of one particular area, focusing on verifying earlier propositions.
1.10 The study’s desired outcomes

Basing proposed outcomes on background literature, suggested outcomes include that:

1. Offering consumers COO information when they have no experience with the product will largely attribute to the purchasing decision made; it is expected that consumers will use the COI in assessing their beliefs of a product.

2. Price and Quality information will be the major stimuli in the cognitive processing; with a high level of experience, consumers are likely to assess quality and price more coherently than that of COI. Previous attitudes and beliefs will largely affect decisions made by consumers; when consumers are making a purchasing decision with a product they have previous experience with, it is expected that the attitudes will be affected by the experience more so than COO information.

3. Consumer’s cognitive processing will range between demographics; Younger candidates are expected to disregard COI more so than older candidates.

4. Females are expected to use price and quality information over COI more so than males.

5. Quality information is expected to become a major stimulus in a low experience state. It is expected that participants will use quality information to assess the perceived value in which the product is offering.

6. Perceived quality and value will draw upon previous experiences with the product in a high experience state, rather than new information cues available to the consumer.

1.11 Structure of the report

This project intends to explore effects in which COO cues have on the cognitive processing of consumers. The research project intends to utilise focus groups in collecting information regarding consumer’s attitudes towards using multiple cues in a fresh produce environment. The results outlined within Chapter 4 are than concluded with relevance to previous propositions and literature in the proceeding chapter. An overview of the research project includes:
Chapter 1: Introduction introducing the topic and the justification for the study. The chapter exemplifies the overall structure of the report and areas in which the study will review.

Chapter 2: Literature Review incorporates a comprehensive review of the literature covering the concepts, models and other salient matters regarding COO effects. These include a background to COO; regulations; cognitive processing; models and branding systems.

Chapter 3: Methodology covers the research approach to the project. This chapter examines the design of focus groups and selection criteria of participants. The chapter discusses validity and ethical issues associated with the research project while outlining the propositions used for this report in detail.

Chapter 4: Results and Discussion presents and analyses the results obtained from focus groups. This chapter examines results collected and is presented in accordance with the relevant propositions. Chapter 4 also highlights the differences between results obtained and previous literature findings.

Chapter 5: Conclusions and Recommendations precede the results chapter in illustrating key results obtained in Chapter 4. This chapter interprets data collected, allowing for conclusions and recommendations to be drawn, while analysing results aligned with previous literature. The chapter also illustrates constraints imposed on the study. Chapter 5 concludes by demonstrating limitations which affected the work produced, subsequently offering insights into further research in which future scholars may choose to investigate.
1.12 Conclusion

This chapter provided a broad outline of the dissertation and research approach. A background to COO and purpose for which this study was designed for has been introduced throughout this chapter. The introduction has also outlined research objectives and research propositions which will be employed throughout the dissertation, which supports conclusions and recommendations outlined in Chapter 5.

The next chapter, literature review, follows on from this introductory chapter and provides a theoretical overview for this study.
Chapter 2

Literature Review

2.1 Introduction

The literature review discusses the evolution in concepts of COO and effects on the cognitive processing of consumers. The following are discussed and evaluated: Country of origin: Roots, history and background; Regulations; Cognitive processing on country of origin products; Decision making on country of origin products; Han’s model’s of summary construct and halo effects as well as Branding systems.

The literature informs construction of the focus group instrument and analysis of data. It is wide-ranging and calls on academic writings to discuss cognitive processing constructs relevant to future analysis.

2.2 Country of Origin: Roots, history and background

2.2.1 Country of Origin: Background

Johansson, Douglas & Nonaka (1985) define COO as the country where corporate headquarters of the company marketing the product or brand is located. COO is a potentially powerful image variable which is used to gain competitive advantage in international marketing (Parameswaran & Pisharodi, 1994). COO is utilised to a company’s advantage, generating higher sales and customer retention. Thus, COO cues affect how companies view and treat the importance of offering information to consumers.

COO issues have been widely discussed over a sustained period of time with the majority of scholars concluding that COO does indeed influence purchasing behaviour of consumers.
"All of the studies reviewed indicate that country of origin does indeed influence buyers' perceptions" (Bilkey & Nes, 1982: 94).

Over the past four decades effects of COO issues concerning consumer perceptions and influences of cognitive processing have been evaluated widely, in which a large contribution to the literature was made in the 1980’s (Peterson & Jolibert, 1995). A study by Al-Sulaiti & Baker (1998) illustrated nearly 200 articles written have contributed towards the COO phenomena.

While COO effects have been studied diversely, scarcely any research in the Australian field of COO issues exists. Numerous researchers have conducted explanatory studies into COO phenomena, in particular focusing on high valued, tangible goods such as automobiles in a variety of cultural settings (Johansson, Douglas & Nonaka, 1985; Han, 1990; Knight & Calantone 2000). Gurhan-Canli & Maheswaran (2000) study is an example of how different cultural settings were identified as foremost reasons in changing consumer perceptions of products. The explanatory study over two cultural settings, USA and Japan, explored differences in perceptions of superiority in home brand goods. The study allowed participants to evaluate a certain high cost product in mountain bikes as an example of high valued, tangible goods. The findings of the study illustrated that respondents evaluated their domestic products more favourably only when it was superior to the competition, showing that COO cues have a positive affect. Yet their findings also indicated that COO is diminished when competition products from another country holds a notable positive image. Consumers relate to a positive image, and COO is used as an identifying tool associated with positive or negative images from countries in which consumers hold previous experience.

Branding a country or the source of the country on products is known as COO cues. For example, made in Italy is renowned as a strong brand image within clothing. COO cues also affect consumers’ evaluations on a product and perceived quality of the product. Quality and value is incorporated as major perceptions of consumers in the evaluation of
products. Wall, Liefeld & Heslop (1991) acknowledge that in many previous literature studies, COO impacts on the quality assessments of consumers due to little other information being made available to consumers. Disallowing consumers to have access to pricing and brand information which is often available in real-life settings is not representative of real-life buying situations. Hence, COO affects may previously have been exaggerated by scholars. Traditionally, consumers are more probable to rate their own country’s products more favourably than that of a foreign country’s products (Han & Terpstra, 1988). When consumers have no previous experience with a product, COO cues are more probable to impact on quality perceptions during a purchase evaluation. COO information may then serve as a proxy for quality perceptions as quality images of domestic country’s are rated more favourably by consumers than that of foreign country’s. Dealing with low valued products assumptions, beliefs and attitudes are key elements of consumers’ decisions when evaluating a product, particularly when consumers are purchasing products were no previous experience is held. Therefore, providing COO information is essential in contributing to positive and negative changes to attitudes and beliefs perceptions regarding the product.

Little exploratory or descriptive research has been undertaken by scholars to appreciate cognitive processing, focusing particularly on low value commodity products, such as fruit and vegetables. This creates an opportunity for this project in adding to the body of literature regarding COO phenomena. A literature review conducted by Al-Sulaiti & Baker (1998) builds an understanding of previous work conducted by scholars to assess COO phenomena. Table 6-1 (Appendix 5) depicts the evolution of literature in a time scale to appraise areas of COO studied previously, and the disparity within the COO body of knowledge. An important conclusion to this study notes that COO effects are diminished in a multiple cue situation to that of a single cue situation. Previous research using single cues has not represented real-life situations where other information cues, such as price, quality and brand names are available to consumers.

After assessing the literature, it is evident that research is scant with regard to COO issues in Australia. Greer (1971) is identified as one of few scholars investigating COO
phenomena within Australia. This literature also shows past research was conducted on high valued products such as automobiles. Low valued products such as food are scarcely identified by previous scholars. Philip & Brown (2003) are one of few researchers who conducted studies into low valued products within Australia. Through their study, it was illustrated that research into this field was virtually non-existent. Thus, a significant gap exists in the literature concerning Australian, low valued products. Furthermore, the use of quality information is yet to be recognised by previous scholars. Currently, quality information within a fruit and vegetable setting is prevalent and thus must be utilised to represent a real-life buying situation for consumers within this particular setting.

2.2.2 Country of origin image

Han (1990) postulates that a country’s image is defined as the quality perceptions of consumers made on different products given from any different country. Country-of-origin image (COI) reflects a consumer's general perceptions concerning a product’s quality when grown or packaged in a particular country. The nature and perceptions of consumers regarding COI also impacts on consumers’ product evaluations (Bilkey & Nes, 1982; Erickson, Johansson & Chao, 1984; Han, 1989; Peterson & Jolibert, 1995). Such quality perceptions differ from country to country dependant on perceived value associated with a country’s image, yet remain auspiciously domestic. Understanding variable perceptions of consumers contributes to expanding and developing innovative strategies for product positioning, eventuating in elevated sales. Verlegh & Steenkamp (1999) suggest that although much research has been completed on COO and COI effects, it is still misconstrued by many.

Marketers must consider negative and positive influences that COI has on perceptions of consumers. Consumers develop product country images through personal experiences, information available and other sources including stereotypical beliefs pertaining to products originating from certain country’s. Due to either a positive or negative product image which consumers hold, COO cues are a method used which enhances brand equity
of a product (Keller, 1993). While brand equity can be influenced with high valued products such as televisions and cars, this is yet to be proven within low valued product circumstances.

Extending on the notion of brand equity, community opinions of country’s may result in unfavourable or favourable attitudes towards its products (Zhang, 1996). For example, New Zealand meat has long held an image of quality and value (Refer to Chapter 2.8.3 - Branding systems: Meat industries). This image is widely accepted throughout major markets internationally. The opinions of New Zealand meat in the wider community’s favourable, thus the image associated with COO cues contributes to increased purchases. Such an example illustrates that the use of COO cue in an unpackaged environment is vital to ensure that cognitive processing of consumers are stimulated effectively. When COO cues are provided consumers are able to associate this with previous opinions of the COI. Therefore, consumers are able to generate a favourable purchase evaluation. This phenomenon has not been explored previously with unpackaged fruit and vegetables.

Lampert & Jaffe’s (1998) study identifies various scenarios consumers are confronted with during a purchasing decision. When a buyer has no experience with the product in question this is regarded as the ‘halo’ effect, which was scrutinised through Han’s (1989) study (Refer to Chapter 2.7.3 – Summary construct and halo models). Within this situation Han (1989) postulated that consumers use a country’s image as they are unable to detect true quality of the product during a purchase evaluation due to little previous experience or information available for consumers to base a purchase decision upon. Furthermore, Han (1989) also argued that country image may be conceptualised as a consumer halo. Therefore, Han designed models to address the role of COO information in consumer choice behaviour known as the summary construct model and halo model. Han (1989) hypothesised that consumers considered not purchasing a brand which they were unfamiliar with because they simply have unfavourable perceptions regarding quality of the brand. Through the halo effect COI becomes vital for companies as providing a high level of information such as price and quality. Most importantly COO results in consumers re-assessing perceptions based on this information. As a result,
value perceptions are created aiding in contributing to a decision within a low experience situation.

Furthermore, Han (1989) argued that once consumers become more familiar with products, they develop more confidence in the buying process. This notion substitutes the halo effect with the summary construct model. In this case, country image becomes vital as consumers base product evaluations mostly on perceived benefits of the product. The perception of products from a local country is more favourable than products from foreign country’s, due to the level of previous experience which consumers’ had with the product. Thus it can be viewed that in both a high and low experience states, COO cues are vital in assessing the perceived value of products.

Ethnocentrism of consumers also impacts on perceptions of COI, ultimately influencing attitudes of consumers. Marketers need to consider consumer ethnocentrism to effectively use COI, enhancing prospects of a favourable decision. The concept of consumer ethnocentrism predicts how COO information is used by consumers during product evaluations (Philip & Brown, 2003). Attitudes based on a country’s image are regarded as consumer ethnocentrism, resulting in a bias towards the domestic country which consumers reside. Consumers rate their own country highly over developing countries, which is a vital consideration for marketers when consumers have no experience with a product. Hamin (2006) continued this theory by expressing that COO and consumer ethnocentrism are closely related, in that allowing high ethnocentrism consumers COO information would serve as a proxy for brand recognition. His study illustrated that brand recognition and country of design (COD) are more successful in contributing positively to perceived qualities than price and country of assembly (COA). Hamin’s (2006) study explicitly demonstrates that brand perception is a key factor during product evaluations. The study identified that consumers would assess domestic products favourably as ethical considerations are included by consumers during a purchase evaluation. This notion relates to previous research conducted (Han & Terpstra, 1988) illustrating that while multiple cues may be used by consumers, in a low experience state consumers are more probable to use COO cues than other extrinsic information.
2.3 Australian fruit and vegetable industry

2.3.1 Country of origin labeling: Australia’s practices

The labeling of COO products has come under intense scrutiny over the past year. Farmers are currently insisting that new regulations be enforced ensuring all unpackaged products such as fruit and vegetables are properly labeled with correct COO signage. The article (Country of origin labeling a must: VFF, 2005) represents the views of the Victorian farmers association, defending the position that farmers hold on current labeling regulations. The article states that farmers simply propose that consumers have access to information during product evaluations for all fresh produce.

Farmers are currently campaigning to mandate COO information on all products, ensuring that consumers are capable of generating an informed decision. This notion is promoted through the “fair dinkum campaign”. This stance by farmers was successful in persuading the federal government to mandate laws within Australia for adequate COO labeling. Such laws will have adverse effects on consumer cognitive processes regarding fruit and vegetables as corporations are obligated to provide COO information which has previously been non-existent.

2.3.2 Country of origin regulations

The Trade Practices Amendment (Country of Origin Representatives) was introduced by Parliament on the 13th August 1998 to ensure that all corporations had legal requirements to install labeling on products (Country of origin claims and the Trade Practices Act, 2002). Such a Bill was an amendment of the original Trade Practices Act of 1974. This Bill represents the government’s initiative to market Australian made products to consumers more effectively by ensuring that consumers have COO information on every product to generate an informed decision. Law regulations require companies to either mark products as “Made in Australia” or “Product of Australia”. Country of Origin Labeling (CoOL) became a requirement as a result of the Bill.
The new FSANZ (Food Standards for Australia and New Zealand) food standard for CoOL states:

1. CoOL is now required for Unpackaged Food.
2. Labels for Country of Origin will be required to be on ticketing for Seafood, Produce and Deli.
3. CoOL is necessary for all country’s including Australia.
4. Use of the word “Imported” may no longer be used – must contain COO.
5. Can use wording “Made in Australia”. Must be in compliance with ACCC in that 50% of the input costs for production are Australian.

2.3.3 Country of origin: Standard Act 1.2.11

The new Standards Act 1.2.11 will be enforced from 8th June 2006 for fresh produce to reinforce the Trade Practices Act which was previously introduced in 1998 (A feasibility study into extending country of origin labeling to selected packaged fruit or vegetables whole food produce, 2006). Standards Act 1.2.11 is an agreement between the governments of Australia and New Zealand concerning the joint food standards safety system. This act requires all unpackaged food to contain CoOL. This act will improve CoOL on fresh produce and information in which the consumer can utilise during a purchase evaluation. Fresh fruit displayed in retail stores must contain a label on or in connection with display of the food. CoOL aids in and must:

   a. Identify the country or country’s of origin of the food.
   b. Contain a statement indicating that foods are a mix of local and/or imported foods as the case may be.

Regulating companies to new standards will provide additional information to consumers, aiding the decision making process. New laws and regulations will aid in the decision process as laws assure consumers are aware of the COO of all products sold. This initiative is aimed at increasing quality perceptions of products which consumers may not have previous experience with.
The laws also identify foreign products, allowing an informed judgment on foreign quality in conjunction with domestic quality, providing a choice of items to consumers. As consumer perceptions are altered with higher knowledge, it is conceived that new regulations will contribute in a higher purchase ratio of domestic products.

2.3.4 Regulation objectives

Through previous research (Haubl, 1996; Johansson, Douglas & Nonaka, 1985; Knight & Calantone, 2000) it is identified that emphasis needs to be placed on consumer perceptions due to labeling of specific products. Researchers conceded that CoOL does affect consumers’ decision making process, depending on amounts of information which is available to the consumer (Erickson, Johansson, & Chao, 1984; Fischer & Byron, 1997; Han, 1988; Haubl, 1996; Knight & Calantone, 2000). Thus, mandating CoOL within Australia will have an adverse impact on the buying behaviour of consumers which previous research has identified.

The regulations are enforced ensuring promotion of consistency between domestic and international food standards are communicated effectively to consumers. Country-of-origin labels approved for produce, 2005 identifies that standard 1.2.11 was established to ensure that Australian farmers can compete with overseas produce more effectively. Allowing consumers to make an informed choice between domestic and foreign produce, aids in farmers competing with foreign brands. As consumers are probable to evaluate a domestic product favourably over a foreign item (Han & Terpstra, 1988), the regulations are likely to aid farmers in promoting the benefits of their produce to consumers more successfully. Standard 1.2.11 creates suggestions of purposefully engaging consumers’ decision evaluations, raising ethical considerations. The regulations may also instigate consumers to increase perceived quality of domestic products, rather than formulating judgments based on the actual benefits offered by the product. As Standard Act 1.2.11 have been introduced during the creation of this report, no literature exists as to the affect that COO cues will have on the cognitive processing of consumers and in turn, the affects on domestic and foreign produce sales in Australian supermarkets.
2.4 Perceived value using extrinsic and intrinsic cues

COO cues have become increasingly important for industries in providing high amounts of information to consumers. Sikand (1999) describes that brand names are used to isolate the effect of a country’s name. This results in consumers associating COO cues with positive images. COO may also be considered as a brand name of the product, thus a positive COI is a conclusion of such associations. Associating brand names with COO information increases perceptions of consumers, creating a favourable purchasing decision towards particular brands or country image recognised by consumers.

The use of cues in previous research has been widely scrutinised. Consumers evaluate a product on the basis of information cues provided (Han & Terpstra, 1988). These cues fall under two categories. Firstly, intrinsic cues involve taste; previous experience and appearance of the product. Secondly, extrinsic cues can be primarily price, brand name and COO information which are provided either on or next to the product. Consumers are more probable to utilise extrinsic cues when evaluating a product as they are often unable to infer quality with intrinsic cues (Han & Terpstra, 1988). This notion is due to a lack of prior experience consumers hold with the product’s intrinsic attributes and thus must rely on extrinsic information to infer quality (Skaggs et al., 1996).

The majority of previous COO studies have provided participants with only single cues. Bilkey & Nes (1982) noted that these studies were likely to exaggerate the effect of COO as this is the only information provided. Thus, validity of previous studies using only COO cues is diminished as they are unable to represent the traditional market place where multiple cues are often available to consumers. The introduction of multiple cues has previously diminished the affects of COO cues on beliefs and attitudes of consumers. The literature suggests that COO may moderate quality and value perceptions generated by other extrinsic cues (Choa, 1993; Johassan, Douglas & Nonaka, 1985; Wall, Liefeld & Heslop, 1991). This literature displays that when COO is used in conjunction with multiple cues, a positive affect on the purchase evaluation is likely to be reduced. As time limits are reduced in low valued items, it is reasonable to suggest that the foremost important cues such as price are more likely to affect the purchase evaluation. COO may
then be used merely as a tool of assessing the brand information, rather than to directly infer quality and value (Verbeke & Ward, 2003)

COI is an extension of both intrinsic and extrinsic cues as both previous perceptions of a country’s product, due to a previous positive experience, and COO are combined to generate a purchase evaluation. Both types of cues are vital in creating a positive value perception of a product. Zeithaml (1988) postulates that perceived value and quality can not be differentiated from one another, as quality and value often result in the same purchase evaluation. Consumers, generally make consistent assumptions about perceived value and quality conjointly. This raises questions such as if quality cues can indeed make a difference to the perceived value held by the consumers for a particular product. Providing consumers with actual quality cues (Appendix 4) have yet been explored, thus a relevant conclusion regarding its affects on cognitive processing can not be drawn.

Studies by Liu & Johnson (2005) and Lee, Yun & Lee (2005) explored and evaluated products using COO cues. Consumers’ decisions on various products were examined. Both studies concluded that decisions were intentionally influenced by consumers’ perceived quality and beliefs regarding domestic and international products under a high experience state. It is thought, however, that COO cues have a direct effect on product evaluations and perceived product value, yet did not directly affect purchase intentions of consumers. While the branding of a product has been studied diversely, and is noted as important for a favourable purchase evaluation, physical branding on a package is not possible with unpackaged items, therefore resulting in few studies exploring the affects in which brand names and COO can have on the cognitive processing of consumers. Therefore, while other studies have identified that COO is diminished within a multiple cue setting, unpackaged items offer a unique opportunity for COO cues to infer quality of items and to increase COI perceptions of consumers.
As unpackaged items offer both high intrinsic and extrinsic information, it may be considered that COO becomes increasingly vital to both have a direct affect perceived quality as has previously been suggested while also continuing to contain a direct affect on purchase evaluations.

COO cues are particularly significant when considering the halo effect regarding domestic products within a low valued item setting. As consumers are able to associate positive quality with brands they have little previous experience with, this results in a favourable purchasing decision. Furthermore, consumers are able to use their knowledge gained from marketing campaigns to associate quality and value with a particular country, therefore increasing probability of a favourable purchase decision.

In a low valued product situation, it is reasonable to expect that consumers will only allocate a slight amount of time in processing cues to produce a purchase decision. In such a situation, COO cues may be associated with the quality of the brand (Han, 1989). This illustrates that consumers are likely to use COO cues to draw upon their previous knowledge of a particular brand, basing their purchase evaluation upon this. Thus, the COO cues may influence attitudes as it reflects consumers’ perceived knowledge about the product’s quality (Agrawal & Kamakura, 1999).

2.5 Perceived quality and value

Consumers’ perceptions of value are considered a pivotal determinate of product evaluations (Bishop, 1984). Zeithaml (1988) describes quality as superiority or excellence. The perceived quality of a consumer is an extension to this concept, based on consumers judgment of superiority in which the product offers. The perceived value of a product is closely aligned to a products extrinsic and intrinsic attributes. Zeithaml (1988: 4) Price, Quality and Value Model displays how perceived value is influenced by a number of factors, ultimately influencing the purchasing decision.
Price, Quality and Value Model displays that perceived quality directly influences perceived value of consumers, with both extrinsic and intrinsic attributes directly affecting the perceived quality and value.

2.6 Information processing of country of origin products

2.6.1 Cognitive processing involving COO and COI

Cognitive processing can be defined as the process of thinking in which consumers’ use, evaluate and make a decision of a product (Johansson, Douglas & Nonaka, 1985). The decision is made using both emotional processing and information cues presented with the product, including physical price and brand name. Cognitive processing involves using elected patterns of stimuli which result in a sequence of behaviour without the consumers’ knowledge (Triandis, 1979, cited in Howe, 1979). When purchasing a product, COI is assessed and pattern stimulus is activated to perform a decision which inevitably results in a purchase choice. A person with high ability, or high knowledge and experience with a product, is more likely to perform the task effectively. The extent to which elaboration on COO information influences evaluations is based on associations between COI and cognitive processing. As COI evidence including brand recognition and value perceptions is related to cognitive processing issues, this directly affects product evaluations of consumers (Gurhan-Canli & Maheswaran, 2000). A cognitive dissonance is caused by various variables such as previous experience with the product, perceptions pertaining to particular country’s images and a collective response around the community. Negative attitudes towards particular country’s arouse high levels of dissonance (Kelman, 1979, cited in Howe, 1979), while attitudes may then affect purchase evaluations.

Wall, Liefeld & Heslop (1991) state understandings of the effects in cognitive processing concerning COO are misunderstood by many researchers. Since this time cognitive processing has been explored in detail over an extensive range of settings, essentially focusing on cultural backgrounds. The negative effect of dissonance can have a profound
effect on cognitive process of consumers. Harmon-Jones (2001) proposes that when perceptions regarding products are dissonant, a decision cannot be made. The need to reduce cognitive dissonance is flows from negative attitudes which transpire towards products. Providing COO information on domestic products ensures that consumers’ dissonance is abridged, as consumers are appropriately informed concerning origins of products. Thus, consumers are then more probable to withhold any negative bias towards their own country.

Many researchers conclude that consumers’ cognitive processing is largely dependant on perceived qualities and value of COO goods (Bilkey & Nes, 1982; Erickson, Johansson & Chao, 1984; Parameswaran & Pisharodi, 1994; Haubl, 1996; Lampert & Jaffe, 1998). The perceptions are gained through previous experiences with products in conjunction with other extrinsic cues available to consumers. The more experience a consumer holds with the product, the more favourable cognitive processing will become. For example, a consumer may examine a product which they are unfamiliar with. COO information is then used to assess perceived quality of the product. As consumers are able to relate a positive experience with other similar products originating from the particular country, they are then able to transfer this perception to the unfamiliar product. This notion is revealed through Maheswaran (1994) and Chao’s (1993) studies demonstrating that after the product has been purchased, future perceptions become favourable towards that particular country’s product. COO cues may then be viewed as a brand recognition tool for consumers to infer perceptions of quality and value for products originating from a particular country.

The purchase intention is deliberated by scholars concerning the amounts by which COO cues influence purchase behaviour, concluding that price and brand recognition have considerable input in the cognitive processing of the consumer (Hui & Zhou, 2002; Peterson & Jolibert, 1995; Srinivisan & Subhash, 2003; Verlegh & Steenkamp, 1999). Reasonable assumptions are made towards the amount of information given to consumers, consequently determining stereotype attitudes and beliefs of domestic versus international products. Bilkey & Nes (1982) though postulated that the most effective
The method of assessing the COO value to a purchase evaluation is in combination with other extrinsic cues.

### 2.6.2 Emotional processing involving COO and COI

Emotional processing differs from cognitive processing in that consumers are using beliefs and attitudes to rate particular products, rather than specific information presented. Sikand (1999) describes emotional response as brand recognition, attitudes and value assumptions made when assessing a product with regards to the COO. The emotional response is determined by particular beliefs of value and brand recognition made by consumers while evaluating products. Once information such as pricing cues are presented, the cognitive process is stimulated. Consumers may draw upon both emotional and cognitive processing to derive a product evaluation.

In the case of COO cues, perceived added value of buying domestic over international products are regarded as emotional responses as assumptions are processed before information is given to consumers. Erickson, Johansson & Chao (1984) illustrate that an image variable can have a direct influence on attitudes as a brand name may provoke a positive attitude of the consumer. For instance, a feeling generally regarded within the community that purchasing New Zealand potatoes (in the case of McDonalds) does not bring additional benefits, decreasing product price, than that of Australian potatoes. Therefore, consumers hold unfavourable attitudes towards New Zealand products as emotional responses are affected by the overall community attitude. This effect is noticeable only within products in which consumers have previous experience. This notion is not valid when consumers have little experience with products as an emotional response based on perceived value of products cannot be drawn upon. Consumers are incapable in creating substantial positive perceptions if no previous experience exists.
2.7 Cognitive processing models

2.7.1 Background

Information processing models of consumer decision making generally assume that judgments of a product qualities are created from information which is provided to them (Steenkamp, 1989; Dawar & Parker, 1994). Much research has been undertaken identifying factors influencing consumer decision making. Neal, Quester & Hawkins (2004) postulate various types of consumer decision making methods including:

1. Brand loyal decisions; based upon previous experience with the brand.
2. Repeat purchase decisions; purchasing the same product over time, with or without loyalty to a specific brand.
3. Habitual decision making; low involvement products where minimal thought is invested when purchasing a product.

Purchase involvement is dependant on the various marketing initiatives employed by corporations. Companies offering consumers a wealth of information for a low involvement product will inevitably yield similar purchasing patterns as if they offered consumers little information. Identifying high involvement products ensures that providing COO information will be utilised by consumers. As fruit and vegetables are high involvement products for consumers, offering high amounts of information becomes necessary to ensure that marketing initiatives such as branding and COO cues are successful.

Cognitive processing models have previously been hypothesised to obtain an understanding concerning COO effects on consumer buying behaviours. Han (1989) devised the halo and summary construct models, representing country image processing. The models were designed in assessing variables between COI and purchasing behaviour of consumers. However, the models do not explore inconsistencies in data collection methods, compromising validity of results (Knight & Calantone, 2000).
Knight & Calantone (2000) extended Han’s (1989) research in developing a flexible model, combining both the summary construct and halo models. The flexible model represented a coherent method to assess consumer attitudes under high and low experience conditions. In the case of assessing consumers’ beliefs regarding COO in fruit and vegetables, the use of both the halo and summary construct models allows a clear assessment of both high and low experience states.

2.7.2 Product knowledge

High knowledge involves consumers having access to ample quantities of information before formulating an informed decision. In the specific case of COO cues, consumers in a high knowledge environment will be given certain information. This multiple cue environment is an effective research experiment as it replicates a real-life situation more effectively than that of a single cue environment. According to Australian and New Zealand government regulations, COO should be clearly presented on a product label in the form of written or picture based information, directly located on or above the product. The ability for consumers to access and recognise information is vital, ensuring consumers are able to generate a purchase evaluation.

Cognitive processing is mainly attributed to the high experience state as physical evidence is provided to consumers allowing judgments based not only on emotional processing (attitudes and beliefs), but utilising information such as price in generating a purchase evaluation. Physical quality contributes predominantly to cognitive processing in low valued, fresh produce items. Han’s (1989) halo model displays consumers with no experience with a particular product generally create an unfavourable attitude towards the product when presented with little information. As consumers have no information to establish quality perceptions or attitudes of particular brands this is likely to create an unfavourable purchase evaluation.
Consumers’ product evaluations are impacted when provided with extrinsic information. The probability of a favourable decision regarding domestic products is increased due to the perceived value which Australia’s country image implies on the community. Conversely, a decision with foreign products is dependant on if the country holds a positive or negative image. For example, Clemens & Babcock (2004) studies of New Zealand meat illustrated that consumers in western country’s such as Japan would favour meat from New Zealand as the country holds favourable qualities which have been promoted through branding strategies across prominent meat markets internationally. Considering this, providing COO cues impacts profoundly upon consumer perceptions of the products image, which is essentially dependant on the products current country image. If consumers are not provided with this information a favourable decision is less probable, particularly with foreign products as positive domestic assumptions are likely to be drawn upon.

As opposed to a high knowledge state, low knowledge consists of consumers acquiring access to little or no information during a purchase evaluation. Providing little information in terms of COO necessitates consumers to construct a purchase decision based on previous attitudes and beliefs or use of other cues available such as price and quality information (Knight & Calantone, 2000). Within a low knowledge state, consumers are more likely to generate assumptions and beliefs created on both brand recognition and quality of product. This notion is representative of previous single cue studies where consumers utilise only COO cues to base a purchase evaluation upon. The use of multiple cues allows consumers beliefs of value to change according to other extrinsic cues offered. In contrast, if COO information is not offered to consumers they are more probable to create an unfavourable decision. If the COO information cannot be utilised by consumers, therefore restricting perceived benefits of a domestic country’s image resulting in an unfavourable decision towards an unfamiliar product. Furthermore, inconsistently providing COO cues reduces domestic farmers abilities to advertise their products on an equal level to consumers in contrast to foreign items (Farmers back push to bolster country of origin food labeling, 2006).
Maheswaran (1994) and Chao (1993) provide evidence to suggest product knowledge and information available on various product attributes provided to consumers affect cognitive processing. The study’s findings illustrate that consumers who are given access to specific product knowledge increased their perceptions of particular products. Consumers with this knowledge had high abilities to evaluate a specific product and were inclined to appraise products more positively than consumers with less knowledge. The research supports theories that increased product knowledge, in particular CoOL, can increase purchasing behaviours of consumers. Thus, this substantiates the use of a multiple cue technique prevailing over single cue research as the COO cue effects are evaluated successfully.

2.7.3 Summary construct and halo models

The halo and summary construct models developed by Han (1989) demonstrate how different attitudes and beliefs of consumers effect the overall product evaluation. This notion is fundamentally dependant on the amount of experience which consumers hold with a particular product.

Firstly, the halo effect is the country image used to consider products that consumers have no previous experience with. COO cues concerning a products origin and “made in” labels are vital to ensure that consumers understand the origins of the product. The halo model developed by Han (1989:3) was used in hypothesising that COO serves as a recognition tool during product evaluations (Han, 1989). When purchasing, consumers have an inability to detect quality, particularly with unknown products. Consumers may turn to COO information to infer the quality of a product, therefore allowing a purchasing decision based on perceptions of quality from the nominated country to occur (Huber & McCann, 1982). Furthermore, COI Johansson, Douglas & Nonaka (1985) study displayed that COI directly affects consumers’ beliefs regarding the product, while indirectly affecting purchase evaluations.
Thus, in a low experience situation COO cues become vital for consumers to recognise the COI aiding to infer quality with the product resulting in a favourable decision. This notion is expressed through the halo model (refer to model located in Han 1989:3).

In contrary to a low experience situation, Han (1989) also developed the summary construct model, Han (1989:3), to test COO attitudes and beliefs in a high experience situation. The summary construct model was utilised to assess buying patterns when consumers already held previous experience with a product.

Therefore, providing COO knowledge is deemed less likely to impact purchasing decisions as perceptions regarding products are already determined through previous experience. However, concerning low valued items, as less time is taken to assess extrinsic and intrinsic information, COI may be used to summarise beliefs of a product’s attributes (Knight & Calantone, 2000). As consumers may consolidate previous information to generate beliefs, COO cues may serve as a proxy for brand recognition.

Han (1989) suggested the summary construct model identified that product beliefs impacts adversely on consumer attitudes, therefore Han (1989) hypothesised that consumers with previous experience of the product will use their beliefs in making a product evaluation, rather than utilising COI. Consumers are able to infer product information directly from the country image using previous intrinsic information regarding the product rather than the product’s extrinsic attributes (Skaggs et al., 1996).

Knight & Calantone (2000) extended theory of cognitive processing and COO relationships by building on research conducted by Han (1989) using the halo and summary construct model over two different cultural settings. The study examined whether COI actually impacts upon consumer purchasing behaviour. This study was conducted in an international environment, yet the authors concluded that relevant theory and practices of variables between COI and purchase behaviour appears likely to succeed over the world. Their study found that COI cognitive processing is considerably more complex than originally considered, particularly in the context of high and low
experience states. Furthermore, their study emphasizes the development and testing of a single unifying model capable of describing cognitive processing of the COI construct in a variety of purchase situations and cultural settings.

While Han’s (1989) study presented COI and beliefs as operating independently on product attitudes, depending on consumer's experience state, Knight & Calantone’s (2000) findings suggested both COI and beliefs simultaneously influence attitudes, under both low and high experience conditions. This is yet to be proven with low valued products, thus both the halo and the summary construct models theoretical designs are required to assess the cognitive processing in fruit and vegetables products.

2.7.4 Beliefs and attitudes

Johansson, Douglas & Nonaka (1985) explored effects which COO has on beliefs and attitudes of the consumers. A conceptual framework for research approaches and evaluations was developed by the authors to construct a model, COO effects in belief-attitude relationships model (Johansson, Douglas & Nonaka,1985), representing attributes affecting a consumer’s product evaluation. Evidently, the model recognises the halo effect which Han (1989) developed fours years after their study was undertaken. The model outlines that experience and demographics are important variables impacting on consumer attitudes.

2.8 Branding systems

2.8.1 Branding system recognition

Information regarding COO contributes to stimulating the cognitive processing of consumers. Hobbs (2003) explains that branding mechanisms are able to reduce costs through credible quality signals and firm branding strategies. Branding systems allow for industries to position products effectively, contributing to the product knowledge of consumers. By allowing consumers access to specific information, the cognitive
processing is stimulated. As the halo model suggests, an inexperienced state with high COO knowledge of a particular product should result in a higher probability of purchasing the product. The halo effect can alter the image associated in the minds of consumers (Marconi, 1996). Corporations have previously been sighted in utilising this to their advantage, aiding in identifying and developing tactics to strategically position products to optimize the halo effect. Elements such as quality associated with perceptual image of food products are used extensively to aid in stimulating cognitive processing of consumers. This is predominantly used when consumers have no experience with the product. This notion is yet to be established and reviewed by scholars in low valued products such as fruit and vegetables.

Recently, ABC news reported a welcome change to the Trade Practices Act. Australian farmers have voiced concerns over quality of branding systems currently in place (County-of-origin labels approved for produce, 2005). These concerns stem from a lack of COO information provided to consumers, impeding choices according to consumer beliefs of information provided. Problems stem from confusion over packaged versus Australian grown produce. An effective CoOL branding system will ensure little confusion over these issues exists. The ability for consumers to recognise CoOL will ensure that an informed decision, which is probable to have a positive effect on domestic brands.

Branding systems are currently in use as illustrated through the ZESPRI New Zealand case (Beverland, 2001). The ZESPRI case demonstrates that industries are using branding strategies to position their product, maximising the halo affect.

2.8.2 ZESPRI case

Beverland (2001) suggests industries such as fruit and vegetables are producing new branding systems which identify and explain COO information to consumers, stimulating quality perceptions of home grown kiwi-fruit. The kiwi-fruit industry in New Zealand was in decline from years of meager returns. Due to this, the industry developed a
branding system, ZESPRI, which positioned the product as an up-market fruit in consumer minds.

The branding strategy aimed to differentiate itself from the usual commodity item to a premium priced product offering exceptional value and quality. The use of ZESPRI employed by the kiwi-fruit industry intended to develop products within the market place and to increase market share, exceeding overseas importers. The branding strategy utilised COO information for companies’ to convey information towards consumers more effectively, thus stimulating the cognitive buying response. The information was provided through effective CoOL on every product, ensuring that appropriate information was available to consumers. The industry also effectively marketed their products, much in the same way as “Ausbuy” (Refer to Chapter 2.8.6 – Ausbuy) to establish quality perceptions of kiwi-fruit in the minds of consumers. This method worked effectively on consumers as people with no experience buying kiwi-fruit automatically identified with ZESPRI as a brand of New Zealand with high quality. Furthermore, Zeithaml (1988) postulated that when consumers have a positive experience with a product they are probable to infer this with similar products from the country. Generating a positive COI through ZESPRI contributes added perceived value and quality associated with other fruit and vegetables originating from New Zealand.

2.8.3 Branding systems: Meat industries

Brand management techniques comparable to the ZESPRI case have been applied to a range of food products for both domestic and international consumption purposes. Branding systems have previously seen increases in sales and consumer recognition in COO goods, as seen through the ZESPRI case. Clemens and Babcock’s (2004) study explored New Zealand’s lamb industry. The industry aims to differentiate itself from other country’s through effective CoOL brand marketing, focusing on high quality perceptions of New Zealand prime lamb. New Zealand currently has a disease risk rating of level 1, the lowest possible. Using this rating, the industry has positively marketed lamb to other country’s in addition to local initiatives on assurances of disease free meat.
With perceptions intensely publicised to both domestic and international markets, New Zealand lamb has forged reputations of quality, recognised through a ‘clean, green image’ promoted influentially by the industry.

CoOL, in this case, is used successfully to market meat as a high quality product to both domestic and international markets. Using CoOL has been a cheap and effective way for New Zealand’s meat industry to promote an already prominent image to consumers. New Zealand has relied on quality perceptions of local lamb to counter premium prices demanded for the lamb domestically. Using quality perceptions to its advantage, the lamb industry has been able to position itself as a major supplier of meat for some of the world’s most sophisticated, high valued markets (Clemens & Babcock, 2004).

Furthermore, Clemens & Babcock’s (2004) research has explicitly demonstrated that brand recognition is still associated with unpackaged items. As such items do not include traditional brand names, COO cues and COI become vital for the recognition of perceived quality. Clemens & Babcock (2004) demonstrate this notion illustrating that the ‘country brand’ is used to differentiate New Zealand meat in consumers’ perceptions. This notion correlates with that of research proposition two (Refer to Chapter 1.6 – Proposition guided project).

Mark & Feuz (2002) illustrate that America has taken a similar approach to that of New Zealand by promoting the COO meat industry using specific labeling. The authors state that CoOL is used to promote the sale of US meat in domestic markets. It is noted, however, that the cost of such an exercise is vast. A private industry has estimated a cost of SUS 1.06 billion to employ CoOL branding methods (Mark & Feuz, 2002). Although systems used in meat cases are more sophisticated than that of unpackaged fresh produce, there are still significant investments made by companies in order to infer high quality with their products as demonstrated through the ZESPRI case.
Branding systems are also employed overseas increasing exporting opportunities. There is, however, research suggesting methods such as the ZESPRI case are employed as a controversial practice. Hobbs (2003) conducted research within American supermarkets providing evidence illustrating that branding systems and CoOL do not stimulate and entice consumers cognitive processing towards a positive purchase evaluation.

2.8.4 Branding systems: Controversial practices

Hobbs (2003) suggests, however, that CoOL and branding systems are controversial practices. Hobbs (2003) outlines that disagreements exist over whether consumers value information of COO as a quality perception or rather as a sense of patriotism and ethnocentrism. There is a valid point to make over the necessity for consumers to have such information available for a decision making process. Providing COO information may be viewed as deliberately altering the perceptions of consumers.

Hobbs (2003) suggests that voluntary labeling of products by companies could suffice in offering information to consumers, as opposed to regulations enforced by governments. Hobbs (2003) examined that a number of American corporations have not emerged with such strategies concluding there is little market incentive to provide COO information to consumers. The study conducted by Hobbs (2003) demonstrated that American companies provide misrepresenting COO information to consumers in that the product may only be packaged domestically, yet will still be labeled as American. Unpackaged items such as fruit and vegetables offers companies’ opportunities to exercise these practices as information is stored above or labeled by stickers on the product, rather than being printed on the packaging. Therefore, accessibility of changing labeling effortless lowers risk of detection. This does not delineate current industry practices in Australia and reinforces the need for government regulations in comprising proper CoOL practices on unpackaged food, ensuring consumers have access to correct information and that any manipulation of information is discouraged.
Hobbs (2003) claims success of providing information to consumers does not flow from CoOL, rather stems from providing consumers with sound knowledge of food safety and quality assurance practices. This is a clear indication of Hobbs’ resilience to accept previous research suggesting that CoOL is a critical advertising technique used to stimulate the cognitive decision making process of consumers. Credibility problems also exist within the food industry to provide quality assurance to consumers (Hobbs 2003).

Building trust and relationships between company and consumer is time consuming and requires a significant monetary contribution by the company, which is clearly represented through current supermarket practices. There still exist needs to mandate and enforce CoOL on supermarket shelves to ensure consumers have access to detailed information to make an informed decision. However, if a particular label cue has little perceived value to consumers then mandatory inclusion of that particular label cue must be based on something other than aiding consumers to generate an informed decision (Verbeke & Ward, 2003).

While quality and price information is provided to consumers at the supermarkets’ discretion, COO cues are enforced by governments. It must be recognised that this information is provided to increase consumers’ perceived value of products, rather than a method of deliberately altering a consumer’s perception.

Providing CoOL abates trust issues associated with quality assurance. Companies who wish to maximize profits may manufacture illicit claims about the quality of products (McCluskey, 2002). Making false claims regarding CoOL, strengthens arguments over regulations to present CoOL on every product. Evidence against such theories is overwhelming and contradicts Hobb’s methods of practices (Bikley & Nes, 1982; Chao, 1993; Erickson, Johansson, & Chao, 1984; Fischer & Byron, 1997; Han, 1989; Haubl, 1996; Knight & Calantone, 2000; Maheswaran, 1994).
It could be suggested however, both CoOL principles in correlation with assurances in knowledge of food safety and quality assurance practices may be provided to consumers. This may contribute to growing the amount of consumers purchasing Australian made products based on information presented during cognitive processing periods.

2.8.5 ‘Buy Australian’ campaign

The intention of the ‘Buy Australian’ campaign was to increase consumer awareness in quality perceptions of domestic products. The marketing view is to increase awareness to build a higher quality perception of Australian grown agriculture. Fischer and Byron (1997) identified effects that such campaigns and labeling has on the consumer decision process, focusing particularly on the ‘Buy Australian’ marketing campaign. Although this campaign was introduced in Australia over 10 years ago it still remains a key focus for farmers to make aware perceived benefits of COO goods to consumers. This aids in creating quality and value perceptions of domestic fruit and vegetables.

Coles/Myer Pty. Ltd. Australia recently conducted extensive customer research into consumers’ most valued perceptions of a food product (Coles reveals brand goals, 2005). The study concluded that price; quality and value for money were the main decision factors when purchasing an item, rather than increased Australian logos and information. Thus, it can be considered that while the ‘Buy Australian’ campaign was successful in the past, consumers are more probable to use multiple cues rather than COO to create a purchase evaluation. This is consistent with the literature review conducted by Bilkey & Nes (1982) illustrating that consumers are more probable to utilise multiple cues rather than merely COO.

However, Ausbuy, a company which introduces methods of effective CoOL claims labeling before the introduction of new laws were inadequate, resulting in an impossible situation for consumers to make an informed choice.
2.8.6 Ausbuy

Extending methods utilised both in the ZESPRI case and ‘Buy Australian’ campaign, Ausbuy, a local Australian initiative, disseminates Australian made and owned products. The company indicates that previous research has identified a trend of large quantities of consumers purchasing Australian made products. Aims of the company consist of promoting Australian made products over foreign owned goods and services.

This initiative involves using information and promotions such as ‘Made in Australia’ to promote their cause. Ausbuy provides information to consumers aiding in decision making abilities. This can stimulate cognitive processes, allowing consumers an informed decision. Emotional responses of consumers are enthused, using assumptions based on domestic products as a means to create purchases based on beliefs and attitudes, as opposed to physical price and quality of the product.

Australian farmers recognise opportunities to promote their products in order to compete with competitors by utilizing techniques similar to Ausbuy and the “Buy Australian” campaigns. Mills (2005) article exemplifies that farmers are using a three step process to position products effectively in the market place, aiding to compete with opposition companies. Firstly, fruit and vegetables are clearly labeled to identify COO. This places the decision of support on consumers, appealing to community pride and ethnocentrism. Secondly, governments are using regulations such as COO standard 1.2.11 to enforce procedures, ensuring a level playing field for farmers exists. Lastly, produce is increasingly delivered to consumers with unrivaled practices (quality assurances) over foreign transport methods. The need for farmers to ensure consumers have precise information to allow informed judgments may favourably persuade consumers to use domestic over foreign products. The ability for consumers to have access to COO information also creates a positive COI towards domestic products.
2.9 Conclusion

The subject of cognitive processing and theory of COO has been widely developed throughout the literature review. Also, this literature review has identified Han’s (1989) halo and summary construct as the theoretical models on which this study will build. Han’s halo and summary construct were the appropriate selection as consumers’ attitudes and beliefs when presented with COO information are key aspects which will be assessed during the research. Han’s (1989) halo and summary construct models provide a preeminent theoretical framework to assess the degree which COO information affects beliefs and attitudes of consumers during purchase evaluations.

The literature also provides an outline of extrinsic and intrinsic cues which are available during a purchase evaluation and the necessity to use multiple cues in replicating a real life purchase situation.

This literature has provided a basis in which to build upon the use of both high and low experience states while assessing the impact of a multiple cue situation and the degree in which COO and COI is used to generate a positive purchase decision.

The literature review chapter provided theoretical and conceptual links to the methodology, which is discussed in Chapter 3.
Chapter 3

Research Methodology

3.1 Introduction

This chapter details the methodology which is used within this study. A qualitative methodology was employed for collection of data using four sets of focus groups. This method provides an extensive insight of COO issues which are aligned with the research propositions. Chapter 3 outlines the research design used for the study explaining the characteristics of selected participants, concluding with relevant ethical issues involved in this research project.

3.2 Conceptual design of the study

The research instrument was designed displaying information as to whether a correlation between COO cues and COI along with the attitudes and beliefs of consumers’ cognitive processing existed. The object was to identify theoretical variables which impact upon cognitive processing of consumers when presented with different levels of information. The model also takes into consideration independent variables such as gender and age which were examined in the proceeding chapter. Product experience is also highlighted, as this variable is expected to influence principally on how COO cues are utilised by consumers.

The conceptual model also outlines the dependant variables which impact on product evaluations which are explored within Chapters 4 and 5.

The next page, Figure 3-1, depicts the conceptual framework guiding this study. Its salient features are described within the model.
3.3 Research design

Qualitative research lends itself to exploratory, deductive studies. As previously identified, this project examines COO cognitive processing from an exploratory perspective. While quantitative methods scrutinise previously developed hypotheses to verify theories and explain certain phenomena, qualitative methods involve a deeper understanding of human behaviour and attitudes (Cavana, Delahaye & Sekaran, 2001). The researcher aims in revealing participants’ value and belief perceptions when assessing brand attitude through multiple cues and with consideration to impacts of COO cues on cognitive processing. Thus, it is necessary to use a qualitative approach, in particular focus groups, to assess COO affects on purchase evaluations of consumers in both high and low experience situations.

Research propositions were developed for this study to conceptualise underlying COO phenomena impacting on consumer cognitive processing. Each proposition has been developed to assess critical points within the study. The propositions were designed based on a review of Chapter 2.
Proposition 1: Cognitive processing will be effected by COO cues in a low experience state. Furthermore, quality information will become a greater asset to infer perceived quality of the product than that of price.

This proposition states that if consumers have no previous knowledge or experience with a product, then COO cues are used to create a brand familiarity within consumers’ cognitive processing, thus creating a more favourable decision towards the product. The proposition also displays that quality information will be used in a low experience state as consumers are likely gather intrinsic information about the product. This increases the probability of a favourable purchase evaluation.

Proposition 2: COO cues are seen as a brand name in unpackaged fruit and vegetables.

It is proposed that with each unpackaged fruit and vegetables, COO cues will serve as brand recognition for consumer’s to generate their purchase evaluation. For example, New Zealand meat is recognised as a far superior meat than other country’s internationally. New Zealand markets their COI ensuring immediate recognition of perceived value in which New Zealand meat offers when presented with a COO cue on products. Thus, this results in a favourable purchasing decision. The domestic country is expected to have a higher COI than that of foreign country’s.

Proposition 3: Demographic variables will impact upon the cognitive processing of consumers.

Gender and age are expected to impact both favourably and unfavourably on purchase evaluations of consumers. It is proposed that older generations are likely to be influenced by COO cues and the perceived benefits of domestic COI resulting in a purchasing decision. Younger generations are expected to use price and quality information during a purchase evaluation. It is proposed that
perceived value originating from domestic products is viewed more highly by older participants as they hold a bias attitude towards domestic products. The significance of COO cues is expected to fluctuate from irrelevant to essential through age ranges.

*Proposition 4*: COO cues will have less influence over product evaluations when consumers have previous experience with the product.

This proposition states that if consumers have previous knowledge or experience with a product, than COO cues will have less of an affect on the purchasing decision of consumers. Brand familiarity is expected to rate higher than that of a COO or quality information cues. The proposition is based upon previous literature, in particular, New Zealand’s meat industries branding systems.

The use of focus groups allows for an explorative analysis, exploring phenomena of COO issues. The propositions are developed to analyse relevant phenomena in low valued product situations. It is noted that the propositions and exploratory research methodology can not conclusively draw upon results and answers, rather offers a contemporary insight into developing phenomena of COO issues in a low valued product environment.

### 3.4 Research instrument

Conducting the study regarding the effects of COO cues on consumer cognitive processing involved the use of both a screening questionnaire and four focus groups. These methods were used to assess participant’s beliefs and buying behaviour regarding fruit and vegetable products.

Firstly, a screening questionnaire (Appendix 2) will be administered to potential candidates. The questionnaire is developed to ensure an accurate mix of demographics exists within the focus groups. The questionnaire also establishes that all participants have experience with buying fruit and vegetables within recent months. The
questionnaire presents participants with a range of fruit and vegetables to assess; allowing the researcher an indication of which products are highly used by participants and other products where experience is minimal. Assessing relevant experience participants had with the product was necessary to ensure participants’ attitudes regarding low and high experience products were measured and contrasted during the survey. Eight products were selected based on participant’s responses in conjunction with figures obtained by the local Woolworth’s (Table 3-1). Four products which accumulated a large percentage of sales were chosen, in conjunction with four products accumulating a low percentage of sales. This is for use in the next stage of the research methodology, focus groups.

Table 3-1 Produce Sales - Woolworths

<table>
<thead>
<tr>
<th>Item</th>
<th>Sales W/C 24/07/06</th>
<th>Sale Units W/C 24/07/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navel Oranges</td>
<td>$1,264.20</td>
<td>312</td>
</tr>
<tr>
<td>Avocado Hass</td>
<td>$1,237.46</td>
<td>650</td>
</tr>
<tr>
<td>Brushed Potato</td>
<td>$560.23</td>
<td>201</td>
</tr>
<tr>
<td>Mandarin Imperial</td>
<td>$1,668.04</td>
<td>328</td>
</tr>
<tr>
<td>Lebanese Eggplant</td>
<td>$20.59</td>
<td>2</td>
</tr>
<tr>
<td>Fennel</td>
<td>$32.56</td>
<td>22</td>
</tr>
<tr>
<td>Galangale</td>
<td>$32.94</td>
<td>7</td>
</tr>
<tr>
<td>Carambola</td>
<td>$36.68</td>
<td>2</td>
</tr>
</tbody>
</table>

Information displayed in Table 3-1 was obtained from local Woolworths located in Ferntree Gully, Victoria, Australia. The table illustrates that sufficient differences exists in buying behaviour from high to low experience items. This information in conjunction with the screening questionnaire allowed the researcher to identify appropriate products for use in the study. Therefore, selections of product items are validated, ensuring that the appropriate attitudes and beliefs regarding intrinsic information held by consumers are measured effectively within Chapter 4, establishing additional credibility to the research methodology.

*Note – Refer to Appendix 2 for pre-questionnaire format and questions.*
The use of four focus groups enables the researcher to triangulate findings over a range of ages. Focus groups are evenly divided into specific age categories, allowing the researcher to assess affects over relevant age ranges. Age range for each focus group consists of:

Focus Group 1: 18-29  
Focus Group 2: 30-44  
Focus Group 3: 45-59  
Focus Group 4: 60 and over

The focus groups are designed to assess beliefs and attitudes of consumers. As previously stated in Chapter 2, this research intends to build on the work of Han (1989) in assessing affects of COO information cues and COI on a consumer’s product evaluation. Thus, a relevant research technique of focus groups is designed to assess if this phenomena is prevalent in low valued products, rather than previous research which has measured high valued, tangible goods. Focus groups offer a unique view into buying patterns of consumers in either high or low experience situations. This aids in assessing the importance of COO cues and if consumers use such cues to infer quality of a product and associate this with a positive COI.

Note – Refer to Appendix 3 for focus group format and questions.

3.5 Research sample

3.5.1 Selection of participants

The selection of participants will be conducted through a purposive/judgemental selection. Previous literature has discussed managing focus groups with a limit of eight-twelve participants (Blackwell, Miniard & Engel, 2006; Malhotra, 1999). This conjures analysis issues including amounts of data assessable from each focus group. Therefore, four focus groups will be conducted containing five people. This segmentation aids in gathering participants in one area to physically conduct the focus group, as well as providing an enhanced opportunity of assessing a thorough range of data.
Other issues involve whether the sample size selected can represent a valid proportion of the market attitude. As this is not feasible to assess, a purposive selection method is adopted to ensure that a relevant spread of demographics is used to represent a small proportion of the market size. A spread of demographics also offers a range of insights which are vital in assessing beliefs and attitudes of various participants across both age and gender variables while also aiding to assess research proposition three.

Characteristics of focus groups cover issues from the amount of participants suitable to one focus group, through to time duration. Group composition must be considered carefully in order to select participants who will contribute effectively to the research project. As mentioned, a range of group demographics is needed to access information from a variety of sources, as opposed to observing and documenting attitudes of certain age groups or gender types. Table 3-2 epitomizes variables used in conducting this project’s primary research, specifying attitudes and methods in which the primary research will undertake.

Table 3-2: Focus Groups Characteristics

<table>
<thead>
<tr>
<th>Characteristics of Focus Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Size</td>
</tr>
<tr>
<td>Number of Groups used</td>
</tr>
<tr>
<td>Group Composition</td>
</tr>
<tr>
<td>Physical Setting</td>
</tr>
<tr>
<td>Time Duration</td>
</tr>
<tr>
<td>Recording</td>
</tr>
<tr>
<td>Moderator</td>
</tr>
</tbody>
</table>

Source: Adapted from Malhotra (1999: 150)
3.5.2 Segmentation

Malhotra (1999) suggests that a close association is illustrated between homogeneity and segmenting samples for focus groups. Diverse homogeneity and sample selection generates additional flowing dialogues between participants. This permits the researcher to scrutinise dissimilarities of perceptions between homogenous segments (Morgan, 1997). Thus, each focus group will be divided into different age categories. This allows for analysis in assessing disparities in age variables, relating to previous stated research propositions.

Segmentation is manipulated by the researcher in order to distinguish variables. If the researcher transfers control to participants, an escalation in discussion is probable (Morgan, 1997). In order to represent the wider community, it is necessary to include a diverse segmentation within individual focus groups. Considering COO, it is important that differences of perceptions in market segmentation are recognised and analysed. It is therefore significant to assess differences of age variables between each focus group, enhancing credibility and validity of data.

Focus groups aim to observe and document attitudes and behaviours of participants when presented with information such as COO, price and quality cues. It is necessary that the researcher can observe how consumers interpret different information cues under a high and low experience setting. It is vital for the integrity of data collected, that participants are aided only in their decision making through visual cues, rather than input from the researcher. Discussion is encouraged between group participants to observe and document participants’ beliefs and attitudes expressed regarding fruit and vegetable products. Appendix 3 highlights that participants will have a number of tasks to undertake. Results from these tasks, in conjunction with discussion documented will provided a basis for effectively substantiating research propositions.
3.5.3 Analytical procedure

Edmunds (1999) presents various methods used in gathering data for analysis from focus group. These methods will be used when conducting the research projects’ focus groups.

1. Moderators own notes taken throughout the interview.
2. Observer’s exercise notes taken throughout the interview.
3. Debriefing sessions conducted immediately after each session.
4. Videotapes of focus group.
5. Audiotapes of focus groups.
6. Focus group transcribed onto a word document.

Transcripts will be created and delivered expressing key features and trends which are to be examined throughout focus groups.

Primarily, SPSS will be utilised for data input and analysis in this project. As data is primarily of a qualitative nature, SPSS will be used to capture physical data number sets from tasks given to participants (Appendix 3) to verify participant’s statements.

Programs such as Nvivo allow for data to be re-coded for analytical purposes. Coding is useful to identify themes, topics and issues stored within data, aiding in assessing disparities in age and gender variables. Furthermore, differences between the use of information cues in a high and low experience state may also be documented. Gibbs’ (2002) work on Nvivo guidelines and tutorials is an example of assistance used when analysis techniques are employed through the use of software aided programs. Models may also be developed to explore relationships of themes and issues associated with multiple cues in a high and low product experience situation. As this project consist of a qualitative research method, it is necessary to utilise programs such as Nvivo to document all statements made by consumers. Thus, significant relationships between previously selected variables may then be analysed.
3.6 Validity

Validity issues relate to selection of participants for this study and appropriateness of this selection. The study will conduct four focus groups containing five people per group. In observing validity issues in the study, each focus group is purposively selected ensuring a wide mix of demographic participants. Each focus group will be divided into certain age categories to ensure measurements and analysis is conjured to assess differences in age variables. This will effectively adhere to this study research objectives and propositions.

Selecting participants purposively ensures a relevant spread of personalities across all focus groups. A purposive selection also aids in gaining an overall market perspective. As the sample size is relatively minor, a mix of demographics (age and gender variables) is necessary to replicate the industry effectively.

Agrawal & Kamakura (1999) postulated that previous research utilising single cues are unable to accurately replicate a real life buying environment. This study is able to accurately duplicate a buying environment, by using quality information, price and COO which are the only extrinsic cues available to consumers within a supermarket environment. Each cue has been directly sourced through the local supermarket ensuring information is no different to that currently displayed to consumers, post introduction of CoOL laws. Thus, quality information and COO cues (Appendix 4) were sourced directly from Woolworths, ensuring that the research accurately replicated all extrinsic information offered to consumers in a fruit and vegetable department.

The ability to precisely reproduce a real-life buying situations for participants increases validity of this research. As the study is limited to twenty participants this also increases the reliability of the information gathered from participants.
3.7 Ethical issues

Ethical issues are considered before undertaking the study primary research phase. Focus groups pose ethical issues in privacy of information revealed by participants. While qualitative methods may place consumers in a situation where they may feel uncomfortable about revealing certain information, it is thought, however, that conducting focus groups is an effective method of sourcing information.

The use of quantitative research, in particular surveys, provokes questions such as, “Are you forcing me to do this?” or “Will this interrupt my shopping schedule?” It is probable that sourcing participants for surveys during shopping periods creates issues in that only a minor percentage of respondents are likely to take part in the study. Considering this, focus groups become an effective sourcing method and reduce ethical issues during the primary research stage. Ethical clearance has been obtained through the Swinburne University Ethics Committee to ensure that the appropriate measures are taken, protecting participants from any ethical issues involved.

3.8 Conclusion

This chapter has provided an outline of the intended research methodology which this project will employ. Chapter 3 has examined research propositions to ensure they are clearly stated and are able to be analysed through the primary research. As the research project is exploratory in nature, a qualitative approach has been outlined as the most effective method to assess propositions. This chapter has also delineated the conceptual framework used for this study. The framework expresses how consumer cognitive processing is affected by various variables. Ethically, this project has received the endorsement by the Swinburne University Ethics committee to conduct the primary research. Areas such as analysis and validity issues have been considered in this chapter to ensure that the approach taken to the primary research was valid. Analytical procedures ensure that all data is collected successfully. Subsequently, in the proceeding chapter, results and discussion, detailed findings of data collected.
Chapter 4

Results and Discussion

4.1 Introduction

This chapter presents findings from the previously discussed methodology in relation to research propositions and objectives. Information has been sourced from four focus groups, with relevant tasks and questions designed to assess the research propositions. The focus group methodology results are presented to align with research propositions stated in Chapter 3. Recommendations and conclusions of the findings are discussed in the proceeding chapter.

4.2 Participant coding

Twenty participants were selected to partake in the research focus groups. In accordance with Swinburne Ethics Committee, names of each participant will remain anonymous. Participants will be referred to as:

Par1-Par5- Focus Group 1
Par6-Par10- Focus Group 2
Par11-Par15- Focus Group 3
Par16-Par20- Focus Group 4

Where appropriate, gender of each participant will be known through the use of either F or M. For example, P1M.
4.3 Cognitive processing in a low experience state

The first research proposition was designed to obtain an insight into participants abilities to predominantly use COO cues when little experience and knowledge of the product is held. The proposition also explores the use of quality information in a low experience situation, offering insights into the affects that both of these cues in conjunction with price have on the product evaluation of participants. Proposition one states that:

*Proposition 1;* Cognitive processing will be effected by COO cues in a low experience state. Furthermore, quality information will become a greater asset to infer perceived quality of the product than that of price.

In order to investigate proposition one, a series of tasks were devised to assess how consumers’ purchasing behaviour altered when presented with multiple cues in a halo state. The research objective states that COO cues will affect decisions when purchasing the product, yet it is evident by the findings that quality information and price cues additionally impacted on cognitive processing. While it was observed that supplementary cues diminished the impact of COO, this was only a slight affect. Thus, COO information cues still maintained a major influence on purchasing decisions of consumers in a low experience state.

4.3.1 Cues influencing a purchasing decision in a low experience state

Wall, Liefeld & Heslop (1991) established that when consumers know little about the intrinsic attributes of the product, they are more probable to use extrinsic information cues, such as COO, price and quality information. Research proposition one examined this common theory amongst previous scholars using low valued, fruit and vegetables items.

The findings from this section were gathered from each focus group and are used to assess how participants use different cues with items in which low previous knowledge and experience is held. A common theme existed from the focus group participants.
Dissimilar to that of high experience results (Refer to Chapter 4.6.1 – Cues influencing a purchase decision in a high experience state), all three cues were utilised by participants in making their purchase evaluation. While evidence suggested that COO was the primary tool in the purchase evaluations, participants expressed that quality information and price were necessary in order to create a perceived value of the product, resulting in a favourable purchase evaluation. The majority of participants held a particular mindset making a favourable decision towards the product in a halo state, towards the domestic country. A certain amount of ethnocentrism was seen in that participants were probable to use COO cues firstly to base their decision upon. Their beliefs illustrate that perceived quality and value of the product evolves from the origin of the product. This was verified through statements such as:

*Par7* “I felt that I’d rather eat an Australian product for the first time, rather than a foreign product”

*Par14* “Country of origin could be used if you wanted to try something out for the first time...I think I would rather buy Australian and know the quality I’m getting for the first time rather than use some foreign grown fruit”

With the COO cue offered first in a halo state, this did not appear to alter decisions of participants. However, participants recognised that other information was available and they would be more probable to use this in conjunction with COO in a real life purchase situation. An overall theme developed with participants in that:

*Par 7* “Although you may offer Country of Origin information first, we know that there should be price as well as the physical appearance of the product to make a decision...although if I could only base my decision on that than I would probably lean towards the Australian as I would rather try that first than anything else.”

56
Par 13 “Country of Origin is important in that type of situation. It would help to understand the quality of the product plus you know that this would be fairly good quality straight away.”

Attitudes displayed by participants portrayed the use of COO information as a primary tool when making a purchase evaluation, yet was influenced by quality and price information in assessing the value in which the product holds. There appeared to be an inclination that participants would not make a purchasing decision based on a product they were not familiar, using only COO cues, particularly when other cues were available. Such perceptions highlight that the use of COO in a single cue environment is overestimated as has been stated in previous (Choa, 1993; Johassan, Douglas & Nonaka, 1985; Wall, Liefeld & Heslop, 1991). Participants seven statement though verifies that when consumers are only offered COO cues without the aid of other extrinsic information, they are probable to make a favourable purchase evaluation towards the domestic country. Subsequently in a real-life purchase situation, price and quality information were required in persuading the majority of participants to make a favourable purchasing evaluation.

This was clearly shown through tasks in which participants completed. Table 4-1 below illustrates an overwhelming 95% of respondents expressing that they would not purchase Carambola using merely the intrinsic attributes of the product.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>1</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>19</td>
<td>95.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>20</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Furthermore, Table 4-2 displays that when COO information is presented, a mere 25% of respondents are increasingly probable to purchase the item. This demonstrates that previous studies using single cues may have relied on the intrinsic attitudes of consumers to generate a favourable purchase evaluation. As such as notion does not exist within this
research project, it is clear that the extrinsic attributes are used conjointly to create a purchase evaluation.

Table 4-2 Carambola Australian Origin

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>6</td>
<td>30.0</td>
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<td>30.0</td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>70.0</td>
<td>70.0</td>
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<tr>
<td>Total</td>
<td>20</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The activity displayed in Table 4-2 was consistent to that of the other three low knowledge fruits and vegetables used in this study. The results show participants would not base their purchasing decision purely through physical examination of the products qualities. Extrinsic cues were required to entice participants to make a favourable purchasing decision. The results illustrate that as participants held little positive intrinsic information regarding the product, they were unable to infer a high level of quality and value with the product. Thus, extrinsic cues were required, offering information to increase the perceived value of the product. The use of carambola demonstrated that only 6 out of 20 participants were willing to purchase the product based on receiving COO cues. The use of COO alone could not persuade the majority of participants to purchase the product, due to the fact participants were aware other information was to be presented.

In addition to the use of COO cues, it became evident that multiple cues did affect the purchasing decision of participants. The different affects this created, however, was dependant of the age and gender of participants (Refer to Chapter 4.5 – Demographic variables). The use of quality information was extensive in a halo state. Although COO cues were presented first, quality information created an additional effect on purchase evaluations of participants, which is illustrated below:

"Par3 “The quality information is very delighting, I did not realise this was on offer in the store. This would change my decision, especially with the fruit that I wasn’t familiar with.”"
“If I didn’t have prior knowledge of the fruit or an experience with it, the quality information was compelling to persuade my decision...this was usually towards Australian produce anyway.”

“You need to know about the product before you can make a decision if you have never tasted the product before; the quality information was very useful on the products I have not seen before.”

“I always look for quality information on packaged fruits, so with unpackaged fruits I think it’s a great idea to have the cue cards around the store.”

Harmon-Jones (2001) postulate that when perceptions about products are dissonant, a decision cannot be made. It was concluded that offering information to participants would aid in altering the set dissonance that participants have towards products. It was evident that throughout the focus groups, particularly groups one and four that participants held specific beliefs regarding value in which different products presented. The use of quality information provided a means of changing the set beliefs of participants, aiding in generating a favourable purchase decision. Quality information provided participants with added knowledge of the product, changing the perceived value of the product. As participants did not have extensive product knowledge with the first four products, quality information provided consumers with the ability to form judgments of quality and value based on information provided. Quality information provided significant value perceptions to the consumer, and thus it was demonstrated that participants were more probable to purchase the product.
While quality information could provide a positive perception of the product to consumers, this information may also have had a negative affect, dependant on the product offered. Table 4-3 demonstrates that upon the presentation of quality information concerning galangale, 19 out of 20 participants were less likely to purchase.

Table 4-3 Quality Information - Galangale

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>2</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>No</td>
<td>18</td>
<td>90.0</td>
<td>90.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

When further questioned, participants expressed that:

*Par9* “While the quality info is good and all, this hasn’t really made me want to purchase galangale at all. Infact I am less likely to buy it now.”

*Par12* “That information would not persuade me to buy the product at all. It sounds horrible and I’m less likely to buy now that I know about it.”

In contrary to the above statements, the use of quality information in changing perceptions of participants was evident during presentation of carambola. Table 4-4 depicts changes in attitudes of overall participants. Only two participants elected not to purchase the product after presentation of quality information, showing an 85% change to that of participants using the intrinsic information the held towards the product as displayed previously in Table 4-1. This also exhibits an increase of 60% of participants now willing to purchase the product from when COO cues were previously presented.
Table 4-4 Carambola Quality information

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>18</td>
<td>90.0</td>
<td>90.0</td>
<td>90.0</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Although taste was not mentioned as a major indicator when purchasing a lower experience product, participants did express that using knowledge obtained from other sources was a major tool used when evaluating a purchasing decision in a halo state, particularly COO.

Par8 “I would use what people have said to me before about a particular product, that is what would persuade me to make the decision of buying something I didn’t know...I would go for Australian too just to know your getting quality”

Par18 “My neighbors told me about how you can use fennel in salads which I wasn’t aware of so that gives me reasons to purchase a product that I may not have previously.”

Views by participants were shared through all age groups indicating that knowledge obtained through a positive experience by a person of trust allowed participants to generate positive quality assumptions regarding the product. This also allowed participants to estimate a price which would offer significant value from the product.

The influence of quality information was dependant on participants’ ability to efficiently locate quality information. During presentation of quality cues, respondents expressed concerns that quality information could not effectively be located in supermarkets. Therefore consumers were limited in the amount of information available ensuring that a decision would be restricted to the use of COO and price information cues.

Par12 “I had no idea that was available in the supermarket”
“They do need to stand out a lot more I think...I really did not know they existed or where in the produce department”

As Table 4-4 displayed, quality information could be important for participants to make a perceived judgment of value regarding the low experience product. If consumers are unable to locate this information, this would result in a less favourable product evaluation as significant value can clearly not be derived from COO or intrinsic cues.

On further examination into this issue, it became apparent that participants assumed this was an advertising tool used by supermarkets, rather than specific information on a product.

“I assumed it was an advertising gimmick”

Participants also expressed that location of COO information was difficult when purchasing an unpackaged product. The new Standards Act 1.2.11 was promulgated on the 8th June 2006 for fresh produce to reinforce the Trade Practices Act which was previously introduced in 1998 (A feasibility study into extending country of origin labeling to selected packaged fruit or vegetables whole food produce, 2006). Although this Act was implemented some two months prior to conducting focus groups, it appeared that many participants were still unaware of the innovative changes. When participants were asked to locate COO information, the majority could not correctly answer the location in which the information is currently displayed.

“It doesn’t stand out like the Australian flags used to, as you need to really concentrate to know that it is written there...it would also be hard to see for us older people with vision problems.”

“I see that in all the deli items, but I can’t really pick it in produce...I’d rather the Aussie flags”
Quality information may not essentially predict buying behaviour as consumers with additional knowledge do not necessarily change their behaviour (Sapp, 1991; Shepard & Towler, 1992). Han’s (1989) halo and summary construct models verify this trend. The halo model expresses that country image affects beliefs and attitudes of consumers. This is evident in a low experience situation as participants were more probable to use COO information cue in recognising value in which a country’s image may bring towards the product.

Wall, Liefeld & Heslop (1991) study was consistent with the results obtained with low valued items. Han’s (1989) halo model illustrates consumers with no experience with a particular product frequently results in an unfavourable product evaluation. If consumers are presented with single cues, no opportunity exists to establish quality perceptions or attitudes of particular brands. Although participants expressed they would indeed use information gathered about a product before they entered the department, extrinsic cues were utilised more effectively in a halo state, ensuring that participants had a high knowledge state resulting in a favourable purchase evaluation. Peterson & Jolibert (1995) postulated that single cue studies produced a larger COO affect than that of multiple cue studies due to the fact that multiple cues allowed participants to use a range of information. This research project results express that the use of multiple cues effectively changed the beliefs of participants about a product, ensuring the probability of a favourable decision. The affect that COO cues had on evaluations were diminished through the introduction of further extrinsic cues. While COO did have an effect, the amount in which it was utilised was reduced due to availability of a range of information, altering beliefs of participants. However, COO was utilised by participants no less than that of quality or price cues and remained a resilient factor in a purchase evaluation and thus it can be considered just as, if not more important than other extrinsic cues in influencing a product evaluation.

Price cues had substantial affects on purchasing decisions of participants. Price was additionally important in a halo state than that of a summary construct. Using price allowed participants to make a judgment on value in which the product is offering.
Carambola was viewed as offering a high flavour and an excellent quality fruit, however the price of $14.98/kg was viewed as expensive, diminishing the perceived value of the product. Quality information and COO offered participants of exceedingly superior value to that of a foreign alternative. The conjunction of all extrinsic cues provided a high perceived value of the fruit, resulting in a favourable decision with the majority of participants. This substantiates earlier findings in that while price, quality or COO cues could not create a positive attitude on their own, the combined use of all three is sufficient to generate a high perceived value.

This notion was also validated through the fennel item. The price of fennel at $1.95 was viewed as excessive, yet some participants still considered Australian fennel containing a superior quality over foreign alternatives. Therefore, participants were persuaded to purchase the product based on the overall cues presented. These findings display that there is no significant difference of price being used in a halo situation, and that consumers will use multiple cues to assess the perceived value of the product. Other cues such as COO and quality information are more probable to be used in a halo state as participants expressed concerns that they must have knowledge of the product before a sample will be purchased.

The value of the product in contrast to price has diminutive differences concerning unpackaged products. Dealing with low valued high involvement products, it is evident that participants were more probable to associate with quality information compared rather than price. In many cases, the maximum price difference between foreign and domestic items represented minor savings, compared with high valued items where price differences are viewed on an enhanced scale, thus exhibiting a greater affect. Participants expressed a common theme that as little difference in price existed, quality information and COO as well as country image was more useful than that of price. However if a cheaper alternative existed, younger participants were more probable to purchase this.
“The difference between price affects my purchase decision, with such a large gap in the oranges scenario this would defiantly affect the way in which I purchase, but if there is only, say, a 50cent difference then this would not really change my attitude towards any particular vegetable”

It was evident that price did affect the overall purchase decision of participants, although when questioned, there appeared to be underlying factors which embellished the use of price in a halo state.

The price difference in fruit also affected participants’ decisions to purchase Australian over foreign produce. If an extensive difference between prices was evident, participants considered the Australian alternative not offering significant value over the competition. Whereas, if a minor difference in price existed than participants would be more probable to use COO cues in a halo state to verify their purchasing decision

“I don’t mind buying Australian as long as there is not a significant price increase between foreign and domestic.”

As only minor price differences exist in produce, it may be assumed that COO cues will be more effective in determining value than that of price. However, improbable occasions may occur, such as the current rise in banana prices due to insufficient supply, where price becomes a foremost issue during a purchase evaluation, diminishing the affect of COO cues. Yet, as this situation occurs infrequently, COO and quality cues are principally used within a halo state.

The question listed below exemplified participants concerns over products offering significant value for money:

Are there other alternatives you would use to buy cheaper, foreign grown products? Would you travel to achieve this?
In response to this, younger participants viewed value for money over any other factor. If a significant price difference between foreign and Australian brands existed than participants would travel to achieve this. However, the majority of this theme occurred in younger age groups, while the other three focus groups displayed perceptions of assessing the perceived quality of the product above monetary sacrifices.

Par1 “Yes I would travel to achieve this as long as there was a significant price difference.”

Par3 “I wouldn’t care about the country where it came from, just as long as I was making a saving that was worth traveling for.”

After completion of tasks, participants were requested to rate their preferences of information cues with each product used in the focus groups. A ranking scale was utilised, with one being most important to the consumer through to five being the least important. Table 4-5 below depicts participant's foremost concerns during a purchase evaluation. Table 4-5 is an average result of the twenty participants who were involved in each focus group.

Table 4-5 Overall Information Cues Results

<table>
<thead>
<tr>
<th>Cues</th>
<th>Navel Orange</th>
<th>Avocado Hass</th>
<th>Sebago Potatoes</th>
<th>Imperial Mandarin</th>
<th>Lebanese Eggplant</th>
<th>Fennel</th>
<th>Galangale</th>
<th>Carambola</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country of origin</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Price</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Quality Information</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Presentation of product (Does the product appear fresh)</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Taste</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
Specifically focusing on the last four products, halo items, it is evident this verifies the tasks in which participants filled out earlier. Firstly, COO was seen as a major tool in making a purchasing evaluation in a halo state. Participants who held little knowledge and experience with the product often made quality and value assumptions which primarily consisted of Australia offering a superior product than that of foreign country’s. In conjunction with these beliefs, the COO cues also aided participants in creating a further favourable decision towards products as participants expressed attitudes in supporting farmers and the Australian economy. When queried further into this notion, the common response indicated that:

_Par19 “I would much rather try something from Australia for the first time, you know its ok quality and you’re supporting you’re country”_

Table 4-5 expresses that quality information was seen as a major tool when assessing a purchasing evaluation. The table illustrates that quality information was the second most important cue used during a purchasing evaluation of halo products. Participants articulated that when purchasing the product, a clear understanding of a products’ value must be expressed before any product evaluation can be made. Quality information facilitates in providing this, more so than that of COO and price. The presentation of fruit, or intrinsic attributes of the product was not utilised by participants in making a decision. Participants did express though that knowledge of other people’s positive experiences would affect their decision to purchase the product, although as the products were not well know, it was improbable that participants had access to this information.

4.3.2 Summary
Nayga’s (2000) exploratory study concluded that individuals who perceived nutrition and taste as important are more probable to use information cues than others. This was evident in beliefs displayed by participants illustrating that importance of taste and quality information towards the products was evident within this study. The beliefs and
attitudes which participants held prior to the introduction of information cues did affect
their ability to assess cues. However, as participants held few beliefs prior to purchase
evaluations, information cues became vital in stimulating the cognitive process and
changing the perceived value of a product.

COO cues did affect the overall decision making by participants in a halo state. COO
cues also served as brand recognition tool for participants to create perceptions of value
of the product. COO in conjunction with price and quality information was more
affective than using COO alone in a halo state, particularly when participants were aware
that other extrinsic information was available. The results also established that COO is
not diminished when combined with multiple cues as has previously been suggested
(Bilkey & Nes, 1982), rather is strengthened in conjunction with price and quality cues to
generate a favourable purchase evaluation.

This notion was substantiated through participants’ adjustments in beliefs when presented
with a range of information on Carambola. A 60% increase in willingness to purchase
the product with quality information was recorded while an 85% change was prevalent
when presented with both COO and quality information. These results demonstrate that
consumers require adequate information to generate a favourable evaluation towards the
product. The results also illustrates that COO affects remain stable and is supplemented
when multiple cues are introduced. This research has demonstrated that if consumers
have little intrinsic information available, COO is necessary to enhance value perceptions
during a product evaluation.

4.4 COI and brand recognition

The second research proposition was designed to obtain an insight into how and if COO
can be used as a brand name for unpackaged fruit and vegetables, in replace of traditional
manufacturing names on packaged grocery items. Proposition two states:

*Proposition 2;* COO is seen as a brand name in unpackaged fruit and vegetables.
The proposition seeks to examine participants’ awareness of COO and the importance placed on a country’s image. In order to investigate proposition two, participants were asked a variety of questions (Appendix 3) which were designed to assess the degree to which they use COO when making a purchasing decision. The questions also aided in assessing the importance in which participants viewed COO cues and relations of this to a specified image.

Proposition two offers insights into the phenomena regarding unpackaged items. While previous studies such as Philip & Brown (2003) have used low valued supermarket items specifically concentrating on packaged grocery items, this study has used unpackaged items to examine the extent in which COO is used in both high and low experience situations. Proposition two allows the researcher to examine phenomena which literature has previously failed to recongise.

4.4.1 Using Country of Origin cues as a brand recognition

Cognitive processing of consumers is vastly dependant on perceived qualities of COO goods (Bikley & Nes 1982; Erickson, Johansson & Chao, 1984; Haubl, 1996; Lampert & Jaffe, 1998; Parameswaran & Pisharodi, 1994). Research proposition one showed that participants used COO cues as brand recognition making assumptions about a country’s image based on their previous experience with other products, in conjunction with the majority of attitudes suggesting that a domestic country’s product is superior to that of a foreign item. The country image is significant when dealing with fresh foods as a diminutive amount of cognitive processing is utilised during a purchase evaluation. Participants expressed that country image represents freshness of the product and the value it pertains. When consumers have a positive country image, other cues appear to represent little change in the purchase decision. Neither price nor quality information was able to persuade a participant who held a positive image of a particular product. However, this notion was prevalent within a high experience situation, rather than participants in a low experience.
Proposition two was effectively received by participants as many participants were aware and used COO in making a favourable purchase decision. This was due to participants being conscious of perceived benefits from particular country’s used in this study (New Zealand and America). This was most effective in a high experience situation, as participants used their previous knowledge of a country to base buying attitudes on. During a high experience situation participants identified with the COI and used this to base a favourable decision upon. Attitudes based on the perceived quality of a certain COI expressed that if participants had previous knowledge concerning benefits of a particular country’s product then the brand would be rated positively. This was exemplified through recognition of navel oranges originating from America.

A trend between participants was evident when presented with the scenario of which orange participants would rather buy, American oranges at $0.99 in comparison to Australian oranges available at $2.99. Table 4-6 illustrates the majority of participants from focus groups one and two selecting the option of American oranges while participants from focus group 5 would prefer Australian oranges.

<table>
<thead>
<tr>
<th>Age</th>
<th>American Origin</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-29</td>
<td>Yes</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>No</td>
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<td></td>
<td>Total</td>
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</tr>
<tr>
<td>30-44</td>
<td>Yes</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
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</tr>
<tr>
<td>45-59</td>
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<td>2</td>
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<td></td>
<td>11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20</td>
</tr>
</tbody>
</table>

When scrutinized further into this selection, participants demonstrated a general theme of expressing positive emotions towards American oranges. A majority of opinions sourced from focus groups one and two illustrated that perceptions of superior American quality than that of Australian existed.
Par1 “Even though the American oranges are cheaper, I think I would still buy them if they were more expensive than aussie oranges simply because I know that the American orange industry is better than ours, plus there is a larger saving which doesn’t come from the aussie oranges, probably suggesting why they are cheaper in this situation.”

Par3 “I believe American oranges are far better quality than Australian oranges no matter what the price difference”

Segregated beliefs between participants existed. Participants aware of the American orange image were more probable to purchase foreign oranges more so than participants who were not conscious. Although only 45% of participants chose to still buy Australian orange disregarding the price, a debate in all focus groups became apparent over American versus Australian quality. A general consensus in focus groups one and two illustrated that a strong impression from American marketing campaigns and positive quality images associated with navel oranges was prevalent, resulting in a belief that American oranges were just as, if not superior to that of Australian produce. This in conjunction with price enticed younger groups to consider oranges to offer a superior value than that of Australian oranges.

Par4 “Country image I think is important, I believe American oranges are better than Australians, and I would be prepared to pay a little extra for oranges I know are quality.”

Par6 “Although the Australian oranges are good, I don’t think they are any better than American so if you compare the prices of the two than the American one offers more value. Simple as that really.”
Perceptions of foreign items offering superior value to that of domestic products were displayed through younger participants. These attitudes are consistent to that of the literature findings concerning branding strategies, in particular the ZESPRI case (Refer to Chapter 2.8.2 – ZESPRI case). Beverland (2001) illustrated that New Zealand has been able to effectively position their kiwi fruits internationally, generating perceived additional value of a foreign brand to international consumers. Such branding strategies are consistent with American oranges. Furthermore, the results displayed that branding strategies do indeed influence the purchase behaviour of consumers, therefore generating further sales for a foreign item. Creating a positive image regarding America may also flow into other products. While the study did not include other American grown high experience items, participants were questioned if they would relate and transfer positive perceptions gained from one product to another originating from the same country. A general consensus between the first three focus groups existed in that:

Par6 “Yes, I suppose you would if you knew that America offered some good valued oranges then probably you would think that they offer good value tomatoes or whatever.”

Par11 “Yeh, you would think that there are some positives to be taken out of all American products.”

In contrary to younger participants’ views, the majority of participants within focus group four were not aware of the American orange image. Beliefs that Australian oranges were of superior quality to that of American was ubiquitous as:

Par18 “I would view Australian produce as superior over the American or foreign stuff...it doesn’t have to travel as far to get to the store so you would think that there is a definite advantage in terms of the quality that would be delivered.”
While younger participants recognised and identified with the American orange image, older participants were not aware of this perceived quality. Older participants would not purchase oranges if they were from America due to two attitudes regarding COI:

1. Older participants could not identify with the perceived value usually associated with the American orange market. While younger participants were aware of the perceived quality of American oranges, older participants had little idea that this perceived positive perception existed. Therefore, older participants were less probable to purchase the American product, due entirely to a lack of knowledge.

2. Older participants were seen to hold a certain amount of ethnocentrism towards domestic products. While they were not aware of the value American oranges pertain, participants expressed firm beliefs that Australian products offer superior quality to that of American oranges. Participants also illustrated that they would not be influenced by advertising techniques displaying the benefits of American oranges to that of Australian.

In contrast to the mix trend of a positive brand image associated with American oranges was that of New Zealand Potatoes. The effective use of the New Zealand brand image was demonstrated through the recognition of 95% of participants. Table 4-7 exemplifies that upon presentation of COO cues of potatoes, 95% participants were willing to purchase while only a 5% negative change existed from the original question of buying potatoes where 100% of participants were willing to purchase brushed potatoes without any prior knowledge of the COO.

Table 4-7 Brushed Potatoes: New Zealand Origin

<table>
<thead>
<tr>
<th>New Zealand Origin</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
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<td>95.0</td>
<td>95.0</td>
<td>95.0</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>5.0</td>
<td>5.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
These figures suggest that when participants associated potatoes with a particular country’s image this has then resulted in a favourable product evaluation. An exceedingly positive response to this question raised issues of why participants associated such a positive image with New Zealand potatoes. When scrutinised further, it was considered that over a period of time, the singular selection provided by supermarkets was to purchase New Zealand potatoes. Limited choice required participants to use New Zealand grown potatoes, resulting in a positive experience. After possessing a positive previous experience with New Zealand brand potatoes, beliefs regarding New Zealand products increased favourably. If other options were available, participants may never experiment with New Zealand potatoes, substantiating the notion that a positive previous experience will produce a more favourable decision with future purchases.

The brand image was also recognised by older participants, yet was interoperated differently. Older participants were aware of the perceived value in that of New Zealand potatoes, yet also stressed that as New Zealand is closely related to Australia, both economically and geographically, this has resulted in a bias attitude towards buying products originating from New Zealand. This was stressed by older participants in that:

Par17 “They are close to us, I have no problem with them and since it doesn’t have to travel as far then it must be good doesn’t it?”

Par20 “They are pretty much like us so it wouldn’t hurt too much to buy from them rather than Australian, although you would usually pick the Australian brand, but I wouldn’t have any issues with picking the New Zealand stuff.”

Such attitudes demonstrate that if a foreign country’s image is closely related to that of the domestic country, this may conclude a favourable decision.
As COI evidence together with quality and price is related to cognitive processing issues, this directly affects product evaluations of participants (Gurhan-Canli & Maheswaran, 2000). Results indicated that only certain participants used COI which affected their buying behaviour. Price and quality information was more probable in persuading younger participants to choose foreign products over Australian. Although there appeared to be compelling ethnocentrism present in participants’ attitudes, this attitude was inverted by a foreign product offering significant value.

Country image is largely dependant on the amount of information consumers hold about the product in both a high and low experience situation. If only presented with COO in a low experience situation, country image will immediately influence the purchasing decision. Participants showed patterns of necessitating awareness of value that the product contains allowing participants to make an informed purchase evaluation. The common theme expressed by participants was:

*Par15* “I felt that I’d rather eat an Australian product for the first time, rather than a foreign product.”

Attitudes such as these demonstrated that participants are increasingly probable to purchase Australian products over foreign products during their initial experience. Although during a first experience participants were overwhelmingly prepared to purchase Australian over a foreign product if a perception regarding other brand images is acknowledged then this would affect the product evaluation. In particular, participant two exhibited that although he had no previous experience with galangale, he was aware that the products quality was superior if it came from Mexico than Australian.

*Par2* “I haven’t used it before, but through work I know that the foreign stuff, Mexico I think, is was better than Australian.”
Han (1989) and Knight & Calantone’s (2000) studies adhere to this sentiment postulating that consumers are probable to purchase a product in which strong, perceived beliefs and attitudes are recognised. Furthermore, Janda & Roa (1997) study propositioned that:

*Under server time limitation and little product knowledge, stereotypical country image would be used for product evaluation to a greater degree than under conditions of ample time availability.*

Janda & Roa (1997) developed the proposition based on previous literature concerning COO and product knowledge. All studies mentioned expressed that consumers make an informed judgment based upon the amount of information given, thus making a favourable product evaluation. When consumers are presented with only COO, stereotypes and beliefs of the COI are used to create a decision, as was the case with the results presented above. Furthermore, it is evident that consumers generate a judgment with a time limitation regarding low valued products. It was apparent that in both a high and low experience state, consumers’ establish decisions on previous beliefs and attitudes of a country’s image before other cues are considered. Conversely, consumers focusing only on price and quality information would disregard COO cues and may therefore fail to comprehend perceived benefits of the country’s image, thus changing their purchase evaluation.

Previous literature has also conceptualised that consumers are probable to combine and may moderate quality and value perceptions generated by extrinsic cues (Choa, 1993; Johassan, Douglas & Nonaka, 1985; Wall, Liefeld & Heslop, 1991). This literature displays that when COO is used in conjunction with multiple cues, a positive affect on the purchase evaluation is likely to be reduced. However, the results displace this notion to a degree with low valued items illustrating that each extrinsic cue is utilised independently to generate a perceived value of the product, rather than combined to infer quality perceptions. Participants were likely to take time to in assessing each cue independently.
P9 “I look at all information to decide on my purchase.”

P13 “I usually spend a minute or two on each product, but as there aren’t really that many information stuff around then it really doesn’t need to take long.”

Although cues are more probable to create a purchase evaluation conjointly, it can be assumed that cues are not likely to be conjoined as time limits are considered less of an issue than what previous literature stated. Though as this project involves low valued items, this notion has not been previously conceptualised and thus literature has failed to recognise this.

Differentiating attitudes portray differences in demographic variables discussed through proposition three (Refer to Chapter 4.5 – Demographic variables). The focus of quality information was compounded by the fact that either:

1. Consumers were unable to locate or were unaware that quality information existed
2. Was mainly used as an information guide in a low experience state
3. Was also used to verify a decision in a high experience state

If quality information is available in conjunction with COO cues, this resulted in an enhanced prospect of affecting purchasing evaluations. Quality information was used by consumers both as a recognition tool and as a verifying tool, with the latter referring to a low experience state. This was evident during general discussion about high experience items. Participants expressed that information could be used to verify a choice that they may already have made.

Par8 “The quality information is useful for nutritional facts, and this would defiantly change my perception of the fruit. I am very health concerned and the quality information on the cards you had is an excellent way of me finding out about the fruit.”
Using quality information in this form allowed participants to ensure their choice was accurate based on their beliefs towards COI before other information was absorbed. Excluding the first focus group, many participants expressed that all information cues were taken into consideration during the cognitive processing stage.

It was seen that information presented correctly had more of an effect than information which was not readily available. Since consumers held little knowledge that quality information existed, this resulted in participants not utilising quality information when making a decision. Additionally, participants primarily focused on buying a particular product based on their attitudes were probable to use only:

1. Price- To identify that the product is offering value
2. COO- To identify that the product originates from where consumers anticipate it to. This also verifies the fact that if consumers hold a positive previous experience with a product from a particular country, than they are more probable to observe COO cues and purchase accordingly.

If presented with multiple cues, the affect will be dependant on the depth of value that participants hold for the country’s image. While the country image can directly affect participants’ decisions, a multiple cue situation adds value to other areas of the product such as quality and price which are not explored in a single, COO cue environment. The affects of a multiple cue situation is articulated through participant ones statement:

Par1 “If you could afford the Australian than you would buy that, but I think id rather save the money and go American on this occasion as there is such a large difference in price. So if there was other information available than I think you would use all of them to decide if you will buy the fruit or not.”

If participants felt that if there was generally a significant disparity within the price of produce between domestic and foreign produce, they would be enticed to purchase the cheaper alternative, due to the significant value offered. If a small disparity existed
between prices then participants demonstrated tendencies in purchasing domestic products. However if under certain circumstances the American product delivered more value than the Australian produce, for example the intrinsic attributes of the American product outweighed the domestic product, participants would be likely to purchase the foreign alternative. This view was verified among younger participants more so than in older age groups. A value on price also differed between groups suggesting that a product that participants had high knowledge on would result in a favourable decision towards the local produce.

COO cues in a low experience situation aided decisions based on COI as participants believed domestic produce to be superior to that of foreign produce. Participants also utilised quality information and price to ensure complete knowledge about the product is obtained. It was noted that COO was a foremost issue in a low experience state. Through food evaluations COO serves as brand awareness for participants to recognise that the brand offers superior value then that of other brands. In this specific case, COO cues in a low experience are used to persuade participants that domestic produce will be of greater quality than that of foreign items.

These beliefs may have originated from not only consumer ethnocentrism, but marketing campaigns such as the Buy Australian Campaign (Fischer & Byron, 1997; Refer to Chapter 2, 8.5 – Buy Australia Campaign). As this was identified during the literature review the author found it necessary to explore these phenomena to conclude the affects of relevant marketing techniques used by participants. As was recorded previously, older participants did not hold knowledge of the benefits of the American orange image. If participants were aware of COI of fruit and vegetables, then it could be assumed that a more favourable decision could be made based on supplementary information. Participants were asked how they would perceive farmers from such an organization emerging in supermarkets to inform consumers about the benefits of buying Australian produce. The general theme among participants was expressed by participants twelve and twenty:
That would be an effective way to promote the oranges from Australia...that would probably make me more aware that the ones in stock are Australian rather than the country of origin stickers."

"Ah yes, that would be fantastic...I think that’s a good idea."

Being influenced by a representative was conversely perceived as being pushed into a decision. This theme was generally consistent among younger participants who expressed that:

“I don’t want my decision changed, I go in there knowing what I want and I don’t need to be hassled about it.”

“Na, id rather just do my shopping and be done with it, rather then get told all this information which I don’t want to hear or have time for.”

These views though, were only expressed by the minority. Such views demonstrated a direct link that participants discounting representatives also exhibited tendencies to use solely price during a product evaluation. Furthermore, younger participants did not use COO when requested to rank cues, suggesting that their attitudes remains exclusively with price, rather than brand types or quality information. It is noted, however, that as younger participants were more probable to disregard a representative, COI was used in making a favourable purchasing evaluation with oranges and potatoes, particularly as younger participants exhibited an awareness of the American orange image. This suggests that all participants may use COI in multiple ways, yet the delivery of this information from marketing campaigns must be altered in order to target specific demographics of consumers.
4.4.2 Summary

Zhang (1996) postulates that community opinions of certain country’s may result in unfavourable or favourable attitudes towards a product. Furthermore, Knight & Calantone (2000) expressed that when purchasing a product, COI is assessed and the pattern stimulus is activated to perform a decision which inevitably results in a purchase choice. Their studies illustrated that a consumer holding high knowledge with a product is more probable to make a favourable purchasing decision.

The extent to which elaboration on COO information influences evaluations is established by links between COI and cognitive processing. As COI evidence including quality and price is related to cognitive processing issues, this directly affects the product evaluations of consumers (Gurhan-Canli & Maheswaran, 2000). Through the discussed results in this section, it is clear that three phenomena are occurring:

1. COI does affect cognitive processing in both a high and low experience situations- The results indicated that in both high and low experience situations, COO cues and COI was used to make a purchase evaluation.

2. COI is more applicable for products which consumers have previous knowledge with- Participants used COI in a high knowledge state to base their beliefs about the product on. As participants have used a particular country’s product before, they are more probable to associate quality with COO cues, thus a favourable purchasing evaluation is recorded. Furthermore, if consumers have a positive experience with one particular product, this positive country image can be inferred with different products originating from the same country.

3. In a halo state, domestic COI is seen as superior to that of foreign brand, resulting in a favourable domestic purchase- When participants hold little experience with the product, many viewed the “safer” alternative as Australian grown. This is due to a certain amount of ethnocentrism participants held for their domestic country as beliefs were demonstrated showing that participants viewed Australian products as superior until established otherwise.
Through the results, a clear pattern emerged in that COI was used in assessing the product in both high and low experience situations. Although this research has used low valued items, a lesser amount of time still exists to generate a purchase evaluation. COI is used to effectively generate a purchasing decision with the product. These results are consistent to that of Knight & Calantone (2000) and Han (1989) studies.

The results have indicated that consumers were able to infer quality when issued with a specific product from a country with a positive image. This notion is consistent with that of Clemens & Babcock’s (2004) research which explicitly demonstrated that brand recognition is still associated with unpackaged items. Clemens & Babcock (2004) demonstrate that the ‘country brand’ is used to differentiate New Zealand meat in consumers’ perceptions. This notion correlates with that of research proposition two. Furthermore, the results showed that as consumers were aware of America’s positive image with oranges this may be translated to other products such as galangale. Thus, it can be assumed that consumers recognise a ‘country brand’ through the use of COO cues validating research proposition two.

4.5 Demographic variables

The third research proposition was designed to obtain an insight into differences between selected variables. The selected variables for this study were age and gender. As this is only an honours level thesis, it was deemed unnecessary to explore further variables due to strict time limits imposed on the thesis. The proposition states:

*Proposition 3;* Demographic variables will impact upon the cognitive processing of consumers.

Investigating proposition four, numerous questions were posed to participants (Appendix 3). These tasks were designed to assess which cues consumers are more probable to utilise during their cognitive processing. This has allowed the researcher to critically analyse differences in responses as discussed throughout the next section of this chapter.
The results obtained through this section also provide links which are ascertained between demographics to explore differences in gender and age and their usage of cues during a purchase evaluation (Refer to Chapter 5.2.6 – Links between demographic variables).

4.5.1 Differences in age variables on product evaluations

During focus groups, age was a significant contributor in assessing impacts of product evaluations. As identified through the literature review, research methodology and conceptual framework, age is a fundamental underlying variable. Chapter 1.10 The study’s desired outcomes illustrates that younger candidates are expected to disregard COO cues and COI compared to that of older generations. The results exhibit that to a certain degree, this statement is justified.

Age was viewed as a foremost link between the use of COO cues and COI during a purchasing evaluation. As each focus group was conducted, numerous phenomena were distinguished exhibiting the age factor possessing momentous implications on a purchasing evaluation. This was evident with the use of price, quality and COO cues.

Price was a major factor in age variables. Evidence demonstrated that younger participants were more probable to use only price when generating a purchase evaluation in both high and low experience situations. Younger participants were more probable to use price information as the general consensus was “every dollar counts”. Furthermore, younger participants viewed produce shopping as a method to conserve money on their weekly budget, rather than exhaust excessive monetary amounts selecting alternatives that benefit the Australian economy rather than their own budgets. This was portrayed through statements such as:
Par1 “I would buy any country of origin if they were the same price, but if something was cheaper than I would go to that. I have no real preference about which country I buy my food from, I don’t really notice actually.”

Par4 “I usually buy based on the price to save money...I would only buy something expensive if I really wanted it but usually I just buy it because of the price, most stuff, whether its foreign or aussie taste the same anyway.”

While older participants have set beliefs, younger participants demonstrated an attitude to use price which is considered the most probable cue offering an insight into the values in which the product comprises. Between the two extremes, focus group three demonstrated that each cue held different values and that all information should be taken into account. Participant fourteen expressed the overall position of focus group three:

Par14 “I use all the information that is provided. I don’t think that any one cue is better than the other. I mean, if oranges were cheap but from America then you would weigh up both options.”

This statement demonstrates that participants from focus groups two and three used a variety of information to come to a purchase evaluation. The value ascertained from each cue was used in conjunction with one another to conclude a purchase evaluation.

Contrary to all other focus groups, participants within focus group four were more probable to utilise COO cues rather than to price information. This was displayed by opinions such as:

Par17 “Price isn’t as important to me as you are only really dealing with a few dollars, but you would like to know where the food that your putting in your mouth comes from.”
Throughout interviews it was evident that in focus group four participants demonstrated a tendency of selecting fruit that was only from Australia. This only differed when participants had previous experience with the product such as potatoes and oranges. This overwhelming response by focus group five suggests there is a certain amount of ethnocentrism and negative beliefs towards foreign products. This was questioned further as to why participants would not buy products from overseas, even if it represented greater price value.

*Par16* “It takes so long to get here on the boats that it cant be as good as the Australian grown fruit”

*Par19* “Ours is superior because it’s a lot fresher than foreign stuff”

Statements in which focus group four illustrated, expressed that the beliefs of older participants is used to assess the product, rather than price or quality information.

The difference in opinions may not necessarily evolve from issues with price, rather the method in which diverse participants interpret the COI. Han’s (1989) models exhibit that COO impacts upon beliefs of consumers in a halo state. This notion was apparent within older age groups as beliefs towards particular country’s products were stimulated when presented with COO information. Older participants demonstrated a set mind frame before additional information cues were presented. Once COO is viewed, beliefs of value ascertained from domestic products were enthused. Contrary to this, younger age groups beliefs towards foreign and domestic COI are peripheral in comparison to older participants.

COO represented major dissimilarities between age groups. While focus groups one and two were more inclined to use price and quality information to base their purchase evaluation on, focus groups three and four used COO and COI to base their purchase evaluations upon. Figure 4-1 below depicts this trend within a high experience situation.
Participants were asked if they would buy American oranges with no other information. 70% of respondents from focus group one and two answered yes to this question while only 20% from focus groups three and four responded positively. The graph also visually depicts the increase and decrease according to age groups. Through visual representation it is evident that age is a significant factor on favouring domestic items.

Figure 4-1 American Oranges

When questioned further regarding the results, it was evident that each focus group contained different values. The first two focus groups had values which were derived from price equating to quality. This was contrary to older focus groups where value was ascertained to COO and COI. These values and opinions also existed in a similar manner within a halo state. Table 4-8 depicts that 30% of participants willing to purchase carambola with only COO information originated from focus group four.
Table 4-8 Age Australian Origin Cross tabulation: Carambola

<table>
<thead>
<tr>
<th>Age</th>
<th>Australian Origin</th>
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<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
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<td></td>
</tr>
<tr>
<td>18-29</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>30-44</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>45-59</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>60 over</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>14</td>
<td>20</td>
<td></td>
</tr>
</tbody>
</table>

Table 4-8 illustrates that older participants were more probable to use COO information to base their decision on, while other participants required price and quality information before they could adequately create a favourable value perception regarding carambola. For the majority of participants, COO did not increase their perception values of the product, resulting in an unfavourable decision.

4.5.2 Differences in gender variables on product evaluations

Gender variables were previously considered as a major impact on cognitive processing of consumers. Differences in gender were seen to impact on the cognitive processing from the different values in which participants hold. Chapter 1.10 - The study’s desired outcomes expressed that:

*Females are expected to use price and quality information over COI more so than males*

Various studies involving COO effects on product evaluations expressed that gender does indeed influence the purchasing evaluations of consumers. Nayga (1997) expresses that males are less likely to use information cues than females when making a purchase evaluation. This study exhibited that the values in which males and females hold towards a product are varied and often dissimilar. Mitchell & Boustani;s (1993) study proposed that females use information cues to reduce the risk of buying a product that does not offer significant value more effectively than that of males. Using fruit and vegetables, evidence was gathered to support previous literature findings. The results obtained
displayed that participants used information cues differently to obtain a positive purchase evaluation.

A high experience state was the foremost situation in which differences between males and females existed. Quality information in a high experience state was the main cue which changed the values between genders. Table 4-9 depicts that when purchasing oranges, females were 40% more probable to use quality information in generating a favourable purchase evaluation than that of males.

Table 4-9 Gender Quality information Cross tabulation: Oranges

<table>
<thead>
<tr>
<th></th>
<th>Quality information</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Total</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
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<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Male</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>4</td>
<td>20</td>
</tr>
</tbody>
</table>

When queried further over this trend, it was apparent that female participants valued quality information highly. Emerging community health trends illustrate that consumers are now expected to purchase products that have added nutritional value. Due to this, companies are altering methods in which advertising to consumers’ health issues are met. This is demonstrated through altering fast-food menus such as McDonalds introducing healthy lines to satisfy growing interests of health issues within the community. Thus, making aware quality information to participants in a fresh food department targets the growing interest of nutritional information stipulated by participants. The need for quality information is exhibited through participant 11 statement:

*Par11 F* “I am very health conscious so the quality information would be good so I can make my choice. It is hard with unpackaged items as you can’t look on the packet for that information.”
The Nayga (1997) study displayed that males are less likely to perceive nutritional information as important during food shopping than females. Furthermore, Nayga (2000) expressed that individuals who place importance of dietary guidelines are more probable to use quality information cues. In this scenario, females are likely to use quality information more so than males as diet values and healthy consumption is a trend more evident within females. This was substantiated through statements such as

*Par3 F “The quality information is useful for nutritional facts, and this would defiantly change my perception of the fruit. I am very health concerned and the quality information on the cards you had are an excellent way of me finding out about the fruit”*

Males were less likely to use quality information in the same manner to that of females. Although in a halo state, both males and females used quality information to assess benefits of products, females used quality information to assess benefits from a nutritional view rather than originating from a positive taste. Verbeke & Ward (2003) study verifies this trend illustrating that quality information is scored favourably by females in contrast to a negative score indicated by males.

There appeared to be little difference in how COO and COI were used by participants. Participants, both male and female did use COO equally and no significant difference between the two variables could be established. Also, no significant discrepancy regarding beliefs and attitudes of COI between genders existed throughout the focus group interviews. Demographic evidence regarding COO and COI was confined to age difference, while no considerable affect was recorded between genders.

It was seen through the display of oranges that younger participants were familiar with the COI of the American oranges more so than that of older participants. While there was a clear difference regarding COI between ages, there was no evidence to suggest that gender provided such a disparity.
There also appeared to be a high tendency to use COO information in conjunction with quality information during a purchase evaluation to ensure that adequate knowledge was understood. This was evident in both males and females cognitive processing and a diminutive separation between ways in which participants utilised each cue existed.

4.5.3 Summary

Johansson, Douglas & Nonaka’s (1985) study expressed that demographic characteristics of respondents, in particular their sex did indeed influence purchase evaluations. Although this study was conducted over two decades ago and with higher-valued object in cars, there still remains an affect in which demographic variables have on product evaluations as has been shown through this section of results.

The age variable appeared to have an impact upon cognitive processing of consumers. When presented with multiple cues, each group used cues differently in generating a purchase evaluation. Focus groups one and four displayed a considerable disparity in values that each participant held. While focus group one utilised price and quality, focus group four exhibited that COO and COI was used predominantly in making a purchasing decision. The values in which each group viewed did not alter between a high experience and a low experience product. Slight differentiation between younger focus groups displaying tendencies to use COO in a low experience situation did exist. Price in a low experience state could not be gauged as a main indicator due to the fact that participants were not aware of a price range which offers maximum value.

The use of multiple cues did have an effect on all focus groups. While focus groups two and three demonstrated the ability to use all information equally, a clear disparity existed through focus group four in that they were not willing to use supplementary information to make an informed decision. The basis behind these attitudes when purchasing a product may originate from the inability to adapt to changing positive perceptions of foreign grown produce.
Little previous literature suggests that gender differences may affect the view of COI. Johansson, Douglas & Nonaka (1985) study exhibited that no consistent bias towards a specific country could be established between genders. The results obtained within this chapter are consistent to that of previous research, verifying that little difference between genders could be established. However, as this project uniquely used quality information it was recognised that females are more probable to use quality information than that of males. Furthermore, the use of quality information in a high experience state may affect a positive evaluation, yet this notion was displayed by the minority of females and thus could be considered insignificant from an overall market stance.

4.6 Cognitive processing in a high experience state

Proposition four was designed to obtain insights into the effects that COO information has on consumers’ cognitive processing within a high experience situation. This proposition was designed using Han’s (1989) summary construct model to assess the degree in which COO cues and COI have on a product evaluation. Proposition four states:

*Proposition 4:* COO information will have less influence over product evaluations when consumers have previous experience of the product.

This proposition was examined through the use of numerous activities to assess how consumers use different types of extrinsic and intrinsic cues, most importantly COO. The researcher also analysed conversations regarding the use of extrinsic and intrinsic cues to assess the impact of COO on cognitive processing in a high experience situation. Proposition four is affected by the use of multiple cues. While single cues were expected to display that COO did indeed influence the purchasing decision, supplementary price and quality information provide a basis in which participants generate an informed decision, which may differ to the opinion used with the aid of only COO cues.
4.6.1 Cues influencing a purchasing decision in a high experience state

Han (1989) describes that the summary construct state involves consumers holding previous experience with the product. Han’s (1989) summary construct model illustrates that COI does not have an adverse effect on the beliefs on consumers, due to the use of intrinsic information such as previous experience and physical presentation of the product. If consumers possess high knowledge concerning the product, COI may serve to summarise beliefs regarding the products value, directly influencing brand attitude.

COO cues also affected cognitive processing in a high experience state. Han (1990) states a country image is defined as the quality perceptions of consumers made on different products given from any different country. Such quality perceptions differ from country to country, but remain auspiciously domestic. During the focus groups, trends appear with groups one and two that country image was associated highly with products that consumers had previous knowledge with.

Par1 “Country image I think is important, I believe American oranges are better than Australian, and I would be prepared to pay a little extra for oranges I know are quality.”

The use of COO in a high experience situation is affected by additional extrinsic cues available to the consumer. Johansson (1989) postulates that COO encapsulates other product information. The results obtained through this study illustrate that COO cues can be used as a summary of other information, yet the majority of participants preferred to use each cue individually.

This is evident by the use of COI in oranges and potatoes, and the use of price in avocados and mandarins. Oranges and potatoes were designated products originating from a foreign market. While these products originated from overseas, a particular image is associated with their brand. This is obvious by statements made by consumers, showing they are aware of the brand image of oranges and potatoes.
Par7 “Everyone knows the American oranges are good quality, so why wouldn’t you buy them?”

Par10 “The New Zealand potatoes are good, I have brought them before and have had no issues, plus most kiwi fruit is just as good as Australia. Same stuff really.”

This was also evident upon the presentation of the COO cue in foreign items such as oranges and potatoes. It was clear that this original information had a bearing on participants selections before price or quality information was produced. The beliefs of participants’ shows COO cues are used to immediately articulate to the consumer an image of superiority over the competition. The perceptions are gained through previous experience with the product. The more experience a consumer has with the product, than the more favourable the cognitive processing will become. Unlike a halo state, participants used COI effectively, yet only with select products. While American oranges and New Zealand potatoes were purchased due to the previous experience participants had with the product, while participants showed minor concern over COI regarding avocadoes and imperial mandarins.

Table 4-10 below exhibits the trend of participants using COI for high experience products. While it has been exhibited through previous results throughout this chapter that the majority of participants recognised and identified with the potato and orange market images, there appears to be minor significance in COI regarding fruits in which have not been purchased on a regular basis, avocadoes and imperial mandarins.

The first four products illustrated in Table 4-10 are high experience items in which participants expressed they have used on numerous occasions. A clear pattern is shown that price is a foremost issue during a purchase evaluation. This verifies comments made previously on the use of price in high knowledge items. COO and previous taste were also mixed closely behind price in regards to importance to participants.
Given these results, dissimilarities existed relating to how extrinsic and intrinsic cues were utilised with all four high experience products. Participants demonstrated that their knowledge of oranges and potatoes was superior to that of avocados and mandarins. Concerning the latter products, participants demonstrated reliance on quality information and price in generating a purchasing decision. Table 4-11 and 4-12 displays how minor disparities exist between requesting participants if they would purchase a product based on intrinsic information or using extrinsic information such as COO to generate a purchase evaluation. This explicitly demonstrates that COI does not influence purchase decisions of participants when a minor positive country image is present.

Table 4-10 Overall Information Cues Results

<table>
<thead>
<tr>
<th>Cues</th>
<th>Navel Orange</th>
<th>Avocado Hass</th>
<th>Sebago Potatoes</th>
<th>Imperial Mandarin</th>
<th>Lebanese Eggplant</th>
<th>Fennel</th>
<th>Galangale</th>
<th>Carambola</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country of origin</td>
<td>2</td>
<td>4</td>
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<td>4</td>
</tr>
<tr>
<td>Price</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Quality Information</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Presentation of product (Does the product appear fresh)</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Taste</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 4-11 Would you buy Avocado Hass

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>14</td>
<td>70.0</td>
<td>70.0</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>30.0</td>
<td>30.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
Table 4-12 Avocado Australian Origin

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>14</td>
<td>70.0</td>
<td>70.0</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>6</td>
<td>30.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>20</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

When questioned further to explain why participants were not associating COI as positively as they did with oranges and potatoes a mixture of responses were expressed:

*Par3* “Well, I know they are good, I don’t think there is much of a taste difference in where they come from, just as long as they tasted good last week then they should taste good this week”

*Par10* “I’m not aware that you could associate avocados with any image like you can with potatoes and oranges...I mean potatoes were all over the news when McDonalds starting buying New Zealand ones which no one knew about and meant they were good...avocados are just there with no real image at all”

*Par15* “I don’t really buy the avocados as much as the other fruit so it’s not as much of a concern for me”

Varied responses obtained suggest that a multiple cue situation has an influence on how participants used COO cues in a high experience state. The amount in which a positive image can be obtained from a COO cue is directly dependant upon the previous experience and product knowledge. Multiple cues such as price and quality also affect the decision making in a high experience state, yet do not yield the same cognitive responses to that of COI when beliefs of consumers are unyielding.

Quality information in a high experience state was used varyingly by participants. The underlying reason for the apparent use of quality information seems that food evaluations require an in-depth thought process regarding perceived tastes of the product. This would
suggest that in low valued items such as fruit and vegetables, quality information becomes more important in the decision making of the consumers. Furthermore, quality information was utilised not only as recognition for purchasing the product for the first time, yet was used extensively with products that consumers had previous knowledge over. Upon being queried why quality information would affect their purchasing decision no matter what the situation participants portrayed the message of:

Par2 “The quality information is useful for nutritional facts, and this would defiantly change my perception of the fruit. I am very health concerned and the quality information on the cards you had are an good way of me finding out about the fruit”

Par8 “…even though I may have brought something before, it doesn’t mean I know what’s in it so the information cards would help me make a decision…”

However, in a high experience state Han’s (1989) summary construct model further substantiates Sapp’s (1991) claims that even though quality information is provided, this does not have a fundamental affect on product evaluations, rather has a conjoint influence when used with multiple cues. Thus, it can be assumed that quality information is rarely used when consumers have ample quantities of intrinsic and extrinsic information available. This notion is illustrated through quality and COO cues provided to consumers in a high experience state through Table 4-10 illustrating that in a high experience situation, quality information is less probable to directly influence a purchase decision. Furthermore, Tables 4-12 and 4-13 illustrate that quality cues are not effective when assessing perceived value of avocados.
Table 4-13 Avocado's - Quality Information

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Yes</td>
<td>13</td>
<td>65.0</td>
<td>65.0</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>7</td>
<td>35.0</td>
<td>35.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>20</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Tables 4-12 and 4-13 illustrate that only a 5% decrease existed when presented with quality information. As participants currently held quality perceptions of avocados, providing quality cues did not alter their perceptions concerning value in which the product held. Furthermore, quality information with high experience products was rarely used by the majority of participants. When questioned about this, the common response concluded:

Par4 "The quality information is not really necessary when you already know what the product taste like"

It was evident that quality information became a verifying tool when generating a purchasing decision in a high experience state. While a minority of participants did use the cues for nutritional facts, the majority of participants eluded to that fact that quality information merely provided knowledge which they already were aware of.

Proposition three alludes to the fact that different age groups use extrinsic and intrinsic cues differently. Results obtained through focus groups illustrates that participants used previous experience with the product to gauge which cue would offer the most value. Throughout the literature review many researchers conclude that cognitive processing of consumers is vastly dependant on perceived qualities of COO goods (Lampert & Jaffe, 1998; Parameswaran & Pisharodi, 1994). Perceptions are gained through previous experience with the product which is evident through Table 4-10 as participants are using previous experience to base their evaluation upon. Participants sixteen and seventeen’s comments illustrated that if a consumer was to have a negative previous experience with the product, than this would usually affect the purchase evaluation.
“I purchased some mandarins last week and they were all hard and sour, I will certainly not buy these for a while”

“I brought some mandarins as well, I did see that they came from America so that is probably the reason why....I doubt I’d buy anything other than Australian for mandarin’s”

However, participants continued to use extrinsic cues to base their purchase evaluation. Furthermore, participants used extrinsic cues to create a perceived value to that of intrinsic perceptions. Although participants sixteen and seventeen made comments ascertaining to poor quality, if extrinsic cues were to offer enough value, than these would be used to base a purchase decision.

“Although they were bad, I would still consider giving them another go if the price was right and they looked ok.”

Consumers are more probable to utilise extrinsic cues when evaluating a product as they are often unable to infer quality with intrinsic cues (Han & Terpstra, 1988). Skaggs et al. (1996) describe that this notion is due to a lack of prior experience consumers hold with the product’s intrinsic attributes and thus must rely on extrinsic information to infer quality. Statements made by participants establish that extrinsic information is still used in generating a purchase evaluation. While it was evident that consumers did use intrinsic attributes of the product, within a high experience state, extrinsic information, particularly COO cues, was required to establish a positive quality perception. This notion varies from previous literature findings as it was previously considered that extrinsic information was not used to infer quality with the product (Han, 1989; Knight & Calantone, 2000; Skaggs et al., 1996). Thus, it can be assumed that low valued food items require additional extrinsic information in conjunction with intrinsic attributes of the product to generate a favourable purchase evaluation.
4.6.2 Summary

Extrinsic cues were utilised in both a halo and summary construct state. Although there seemed to be a clear link, illustrating that price and quality information was used in high and low experience situations; it was evident that cues, particularly quality information, were utilised in diverse ways. While quality information was essential in assessing perceived value of products with price in a halo state, a high experience state allowed quality cues to be used as a verifying tool. Although participants may have had previous use with products, quality information was used to ensure participants knew exactly the products they were purchasing. In a high experience state, quality information was also used further by females than that of males, linking to proposition three discussed in Chapter 4.5 – Demographic variables.

The results obtained through this proposition illustrate that COI does indeed influence beliefs of consumers. Although Han (1989) states that the relationship of cognitive processing using multiple cues is beliefs => COI => brand attitude, this is not always evident for all consumers. Price lends itself to major implications for a product evaluation, while quality information offers a nutritional guide for consumers in purchasing a product offering significant value. Differences emerged between Han’s (1989) study and this current research. Quality information becomes more important as the need of knowledge for low involvement products affects cognitive processing.

The previous experience of a product has an effect on the beliefs of consumers, yet when multiple cues are introduced, the beliefs of consumers are inclined to alter with the value that each cue offers. It could also be suggested that the COO is used more with products that participants were currently aware of. This was evident in that participants had a high knowledge of perceived value from American oranges, therefore identifying with the COO cue when presented, thus influencing their decision before any other cue was needed.
4.7 Conclusion

Review of the research findings and subsequent insights provided in this chapter has illustrated several phenomena that are occurring during purchase evaluations of consumers. The research propositions set out to explore how cues are used differently by consumers when making a purchase evaluation.

The results displayed that participants used COO cues in both a halo and summary construct situation. The amount of use in which COO was subjected to was varied by different variables regarding experience in which consumers had with products and demographic variables of participants selected for this study. Within a halo situation, COO was used as a tool by older participants in which they were able to ascertain value and quality of a product by using the COO cues and associating quality perceptions with domestic grown produce. In a high experience situation, COO cues were used to identify with products holding a high COI and thus, value was easily identifiable with the product.

As this study used multiple cues to assess cognitive processing of consumers, this had a large affect on amounts in which participants used COO cues. Within a low experience state, quality information was utilised by participants to create an informed decision regarding the product. Price was used in conjunction with quality information to obtain an insight as to the value in which the product was offering. It was seen that if quality information was appealing, then consumers were willing to pay a higher price in order to try the product as was evident with carambola. In contrast to this, if quality information was less attractive and price was high, value was seen to dissipate, resulting in an unfavourable decision towards the product, evident with galangale.

The age variable seemed to have multiple effects on how participants used cues to ascertain value of the product. While each group did indeed use COO cues to make a purchasing decision, this was used in varied ways. While younger participants’ associated COO cues with COI in a summary construct state, older participants were more likely to use this in a halo state. No gender variances could be ascertained from the
study. There were occasions with quality information differentiating gender opinions, yet this did not achieve a significant level.

The conceptual framework for this study displayed in Figure 3-1 is consistent with results established within this chapter. While it is clear that brand attitude is directly linked to COO cues, individual and situational factors, particularly that of age, also impacted profoundly on beliefs of consumers. The product experience displayed as an independent variable was seen as a forthcoming issue, yet brand recognition associated with COO cues was the major variable which impacted on consumers’ cognitive processing.
Chapter 5

Conclusions and Recommendations

5.1 Introduction

The preceding chapter presents core findings from the presentation and analysis of data gathered during focus group research regarding COO effects on consumer cognitive processing. The conclusions exhibit effects in which COO impacts on cognitive processing and dissimilarities demonstrated when presented with a range of intrinsic and extrinsic cues in both a high and low experience situation. COO is also explored as a brand name within this chapter and effects in which this has on consumer cognitive processing. New laws which have been implemented during the course of this study are assessed, and recommendations for future campaigns and managerial implications are detailed.

This chapter also identifies limitations in which this project was constrained with and how this has affected on the overall dissertation. The limitations outlined provide links to future research.

5.2 Multiple cues affecting cognitive processing

The following section explores the use of extrinsic and intrinsic cues which were used during this study. Comparisons are drawn upon from previous literature verifying or substantiating propositions previously generated within this research project. This section also summarise the findings from Chapter 4, exploring the role of each cue in a purchase evaluation.
5.2.1 COO cues in a low and high experience state

Studies by Wall, Liefeld & Heslop (1991) illustrated that COO cues have a greater effect on a favourable assessment of a product than that of brand information or price. The importance of COO cues were previously dependant on information that consumers had available. Bilkey & Nes’ (1982) review of COO literature noted that many studies employed the use of single cues which resulted in COO affects being exaggerated by previous researchers. Furthermore, literature studies by Verlegh & Steenkamp (1999) exhibit that the value of COO cues is diminished in a multiple cue situation. Agrawal & Kamakura (1999) illustrate that COO effects are likely to become reduced in conjunction with multiple cues as:

1. Consumers are probable to invest their cognitive processing within many cues, thus reducing affects of COO cues,
2. Consumers use COO cues not as a way to infer quality, but as a method to summarise their knowledge about the perceived quality and value of a particular product.

Although Agrawal & Kamakura (1999) postulate that COO effects are likely to be limited in the presence of other information cues, this research suggested that COO is still a primary cue used by consumers during a product evaluation. Consumers did indeed use COO to summarise their knowledge regarding quality of the product contradicting previous research. Furthermore, as little time was taken during the cognitive processing, consumers used other cues to enhance a purchase decision which is previously based around COO, rather than using price or quality to solely ascertain their purchasing decision upon.

Okechuku (1994) postulates that consumers use COO cues to evaluate foreign products when they are not familiar with an items intrinsic qualities. Verbeke & Ward (2003) also note that situations may exist in a low experience state where consumers are unable to assess the intrinsic information of the product due to their lack of previous experience, thus having to rely on information provided in a form of a cue. The results demonstrate that participants were more probable to use brand information regarding a particular
product when little is known, verifying previous propositions. The results illustrated that if participants held no intrinsic information regarding the product, this would then involve the use of extrinsic information to generate a perceived value of the product. This notion is attributed to the lack of intrinsic information available to participants which is consistent with that of previous research (Verbeke & Ward, 2003).

While COO did have a major affect on purchasing, contrasting to previous studies where this may have been embellished, the results illustrated that when introducing multiple cues the affect that COO holds on the consumer cognitive processing is diminished. This could be caused by age variables, for example younger participants exhibited that price is a key indicator of whether to purchase the product. The majority of participants were perceived as using COO as brand recognition, yet still took advantage of quality and price cues provided with products in a low experience state.

Intriguingly, while previous research has suggested that COO cues become less effective with the introduction of multiple cues, this was only partially demonstrated in a halo state, while in a high experience state COO remains a prominent cue in altering a consumer’s attitude towards the product. With high intrinsic information available to participants regarding high experience products, results confirmed that participants would austerely use their previous taste in conjunction with the appearance of products to supplement their decision which was primarily based around price and COO cues as well as COI. Participants did express that previous experience with products was used to determine if they were probable to re-purchase. However, participants would only do so if they could identify with the products they have purchased previously. Thus, COO cues were used to aid participants in identifying with products previously purchased. The intrinsic cues listed in Table 4-10 confirm that participant’s attitudes towards the use physical information during a purchase evaluation were of a high nature during a high experience situation, while conversely were disregarded in a low experience state.
Previous scholars have postulated that the magnitude of the COO effect is related to the nature of the product (Han & Tepstra, 1988; Lampert & Jaffe, 1998). Products that are technically complex or expensive are more probable to be affected by the COO than products which are low-cost and low in technical complexity (Wall, Liefeld & Heslop, 1991). The results indicate that COO cues were prominent in inferring quality and value perceptions of the product, ensuring that a positive decision was generated. Furthermore, COO cues were able to increase value perceptions of consumers as a positive COI was associated when presented with COO cues. Thus, the results empirically suggested that;

1. COO remains prominent in both high and low experience states,
2. The value of the product does not result in a decrease in the COO effect and
3. COO is not diminished within a multiple cue environment.

5.2.2 Quality cues in a low and high experience state

The results expressed that quality information of a product was not considered by the majority of participants as a singular tool, rather was used as a verifying tool in assessing a purchase evaluation. Quality information provided participants with supplementary knowledge in a high experience situation. While this knowledge assisted participants in generating an informed judgment, it was illustrated that in a majority of occasions, beliefs and attitudes regarding products would not change significantly.

The notion that quality information is a contributing factor in product evaluations is theoretically correct (Mitchell & Boustani, 1993; Nayga, 1997), the results have questioned to what extent this cue actually impacts on a purchase evaluation. While Han’s (1989) halo model illustrated that COI was the influential cue in a low experience state, the results signify that quality information was as correspondingly important in assessing the product’s salient features. Participants involved in a situation where limited experience with a product existed, displayed features in that quality information provided a valuable insight into attributes of the product, in which price and COO are unable to bestow. Carambola quality information was used to ensure perceived value of the product could be generated. This was illustrated by consumers expressing that the use of
quality information to create a perceived value of a product was vital in a low experience state. Contrary to this notion, quality information was scarcely used in a high experience state due to the substantial affect of multiple cues, especially that of price and COO which were more probable to form beliefs and opinions of a product than that of quality information.

In contrast, a high experience state illustrated that quality information was merely more an attribute which aided a participant’s decision. Quality cues were considered incapable of changing a consumer’s perception. As consumers already possessed knowledge of value regarding products, quality information could only be utilised as a subsequent tool to validate a purchase decision which, in the majority of occasions, has previously been generated.

Verbeke & Ward (2003) postulated that for labels to hold value to consumers they must be understood. Participants suggested this notion extensively throughout the research. If participants were unable to comprehend a particular cue, predominantly quality information, than quality cues would become redundant. While participants illustrated that location of cues was exceedingly important and a major contributor to the use of this particular cue, the new CoOL laws have also provided the ability to present consumers with a succinct sentence providing consumers with quality information (Refer to Appendix 4).

The results illustrate that quality perceptions do indeed influence the value perceptions of consumers. This is accentuated within a low experience state as consumers used quality information to gain knowledge of a product and build beliefs on the precise value. Such beliefs are then linked into other cues such as price. If price was high, as viewed with galangale, consumers’ beliefs were altered as quality information could not provide enough value to substantiate the price. Conversely, carambola quality information was able offer enough perceived value to corroborate the price, resulting in a favourable purchase evaluation. The results demonstrate that quality information in a low
experience state was able to build value perceptions, yet this must coincide with value from other extrinsic cues in order to achieve a favourable purchase evaluation.

The literature review raised questions regarding if quality cues can indeed make a difference to perceived values held by consumers for a particular product. Previous research has yet to explore actual quality information impacts on purchase evaluations, rather focuses on other extrinsic cues which effect quality perceptions leading into value perceptions of the product. Thus, the use of quality information attributes uniqueness to this research project as COO and price are now not the only extrinsic cues which can impact on a consumer’s cognitive processing. Furthermore, the results obtained provide additional insights into how marketers may tailor specific extrinsic cues to alter the perceived value of products they wish to advertise successfully.

5.2.3 Price cues in a low and high experience state

Price information cues were documented as altering between age groups. While price was viewed by younger participants as a foremost issue, older participants generally used price as a verifying tool of value, rather than a cue in which a purchase decision could primarily be based upon. While opinions of younger participants are as valid as older generations, a majority of consumers’ currently purchasing produce outweighs that of younger consumers due to the limited needs and requirements for younger participants to purchase fruit and vegetables. Hence, a figure representing the overall market opinion would illustrate that a conjunction information cues is utilised in conducting an informed decision rather than predominantly price.

While the use of price was demonstrated in both a high and low knowledge situation, it was still a main cue utilised in a low experience state. Consumers used price to establish the value in which the product offered. As mentioned through Chapter 5.2.2, even if price was viewed as unreasonably high, quality information could substantiate value, verifying to the consumer that significant value is still attached to the product. On the contrary, if price remains high while quality information is unavailable to consumers,
participants become more probable in creating an unfavourable purchase evaluation, thus price cues alone do not enhance perceived value of low experience products.

Conversely, in a high experience state consumers used price as a tool in which they would purchase excessive numbers product rather than refusing to purchase the product at all. While consumers previously held a set price in mind which offers value for money, participants displayed that if a positive experience with a particular brand was held, than they are more probable to use this experience rather than using price or quality information to affect their purchasing decision. This not only verifies that COI was an effective tool in a high experience state, yet concludes that price and quality information are merely supplementary instruments during the cognitive processing.

Significantly, it was illustrated by participant two that a minor price difference will seldom exist with fruit and vegetable products. The effect of a variation in price is therefore made redundant in contrast to that of a high valued item. Although Dodds, Monroe & Grewal’s (1991) results indicated that the effect of price was diminished in the presence of additional extrinsic cues, Teas & Agarwal (2000) illustrated that participants still relied on price as a quality cue in the presence of other extrinsic information. This research has established that the use of price to infer quality is dependant on the level of experience consumers have with the product, rather than the introduction of additional cues. Furthermore, while Monroe (1973) literature review showed that many studies exhibit price as an indicator of quality, Erickson, Johansson & Chao (1984) illustrated that price appears to have a positive affect when used in a single cue environment. This notion is consistent with findings documented in Chapter 4 displaying that in a multiple cue situation, this positive affect associated with price is diminished. While previous studies has explicitly demonstrated that COO cues are moderated in a multiple cue environment, this research has empirically established that price is the main cue affected rather than that of COO cues.
5.2.4 Consumers’ perceptions of value

Consumers’ perceptions of value are considered a pivotal determinant of product evaluations (Bishop, 1984). Zeithaml (1988) describes quality as superiority or excellence. Zeithaml (1988) created a model (Refer to Chapter 2.5 – Perceived Quality and Value) which illustrates linkages between perceived quality and value into intrinsic and extrinsic information cues.

This model is consistent with that of the results demonstrated in Chapter 4. While the results established that physical attributes do affect perceived quality and value of consumers, intrinsic cues, especially that of brand recognition, was a major positive influence on perceived value of products. Thus, Zeithaml’s (1988) model indeed represents overall results gathered from participants. However, Figure 2-1 fails to include COO cues as an attribute. Furthermore, Zeithaml (1988) mentions that packaging of a product or COO information could not necessarily be defined as either extrinsic or intrinsic cues illustrating that COO was not an influencing factor in the design of this model. Previous scholars have displayed though that COO is widely considered an extrinsic cue, thus it can be assumed that COO does directly affect perceived quality and value of a product evaluation.

The previous literature illustrated that perceived value and quality cannot be differentiated from one another (Zeithaml, 1988). Consumers generally make consistent assumptions about perceived value and quality conjointly. This demonstrated that the previous literature could not adequately display that quality information is utilised as an extrinsic cue, rather than a perceived intrinsic cue. The use of physical quality information in this research project has illustrated that such cues have an affect on product evaluations, increasing the perceived value of the product. While this cue did not display characteristics altering value perceptions in a single cue environment, it was able to be used to ensure that consumers had informed knowledge of the cue and could base a purchase evaluation accordingly. The results illustrated that in a halo state, participants would use the quality information to form perceptions of value regarding the product. Figure 4-11 confirmed that quality information was the second most important tool to
base a purchase evaluation upon in a low experience state. Thus, participants used quality information to create a perceived value of the product more so in a halo state than a high experience state, due to the availability of other information such as price, COO, COI and previous experiences. This evidently demonstrates that quality and value can be defined separately, but is accentuated only in a multiple cue environment.

Figure 5-1 displays that COO and price were the key indicators of perceived value within this research. The results indicated that linkages existed between that of price and COO, yet did not conclude that quality information could impact significantly on the perceived value of the product, thus this was not included in Figure 5-1.

Figure 5-1 Perceived Value

5.2.5 Han’s models using low valued items

This study built upon Han’s (1988, 1989) by utilising Han’s summary construct and halo models (Refer to Figures 2-2 & 2-3) to assess impacts that COO and COI has on cognitive processing of consumers. While Han’s (1989) models were assessed in a high valued product situation, this research used low value products with multiple cues to assess cognitive processing of consumers. The halo model was constructed based on research suggesting that COI allows consumers to infer the quality of an unfamiliar brand (Bilkey & Nes, 1982; Erickson, Johansson & Chao, 1984). The results indicated that in a halo model, not only did participants use COI to identify with products, this resulted in a
substantial affect than was originally anticipated. While items used were low valued, this then resulted in three adverse affects on cognitive processing of consumers.

1. The value of other cues decreased due to the nature of the product. No significant price differences existed between domestic and foreign products, allowing consumers to purchase a brand they believes offers more value while often disregarding the price as a primary measure.

2. Secondly, COI was used to assess perceived values due to the high involvement nature of food products. Participants in a low experience situation identified with COO cues as perceptions were increased concerning the amount of value in which a domestic food product can offer. As consumers are increasingly skeptical on food products, COO cues generated a positive impression increasing the likelihood of a favourable decision.

3. Thirdly, participants continued to use COO cues in a high experience state to infer quality with the COI.

Comparable to the results, previous literature has suggested that COO cues remain prominent in high experience state (Han, 1989; Johansson, Douglas & Nonaka, 1985). Knight & Calantone (2000) illustrated that consumers possessing high information regarding a product’s stimulus displayed that COI may serve to summarise beliefs about a product’s attributes. Interestingly, participants exhibited that previous beliefs were established regarding value of a products COI, thus utilising this to establish a purchase decision. This was a direct result of previous advertising campaigns used by representatives to ensure that consumers held an elevated knowledge of added benefits concerning particular products.

Knight & Calantone (2000) suggest if consumers have a set belief on the benefits of a product then this should flow into similar products attitudes. This notion was refuted in that while COI was important to consumers, participants’ beliefs were confined to only particular items such as oranges in which previous knowledge is held. While participants viewed American oranges as having superior quality these beliefs do not transcend into American galangale. Therefore, although participants may associate with American
oranges, this image cannot be conjoined with other products as previous scholars have suggested (Han, 1989; Johansson, Douglas & Nonaka, 1985; Knight & Calantone, 2000). This trend is due to varying attributes associated with produce items. While American oranges are viewed as superior value of Australian oranges, this image did not apply to potatoes as a significantly diverse image was expressed by consumers. For example, perceived values associated with television products are not varied from an LCD to a normal screen television. Therefore, consumer perceptions regarding perceived quality of all American televisions are consistent. Furthermore, high involvement food products offer consumers multiple cues to consider, affecting the transference in attitudes towards particular COI into multiple products, disputing previous claims that COI towards a particular brand can be transferred to all products originating from that country.

This research has illustrated that while Han’s (1989) models do represent attitudes of participants towards low valued items when presented with COO, a multiple cue situation provides consumers with a more informed choice, therefore affecting the manner in which COO cues are utilised. Furthermore, as unpackaged products are not considered a traditional brand, COO and COI become brand recognition tools for consumers, yet a positive image was not transferred to other products originating from that country displaying that each singular product possess individual extrinsic and intrinsic attributes.

5.2.6 Links between demographic variables

Nayga’s (2000) work illustrated that links do exist between nutrition information and demographic variables, yet concludes that nutrition information does not have an effect on label use. While quality information was significant within a single cue environment, a multiple cue environment exhibited that quality information is a secondary tool used only with additional information to generate a favourable purchase evaluation upon, particularly in a high experience situation. While participants portrayed signs of needing to comprehend supplementary attributes of the product and its quality values, this alone would not contribute to participants generating a purchase decision.
After assessing values of older participants through Chapter 4, Figure 5-2 was created to depict older age groups which are more probable in utilising a range of information to assess beliefs and attitudes towards a purchase evaluation. The model was designed to provide a visual aid to which information cues and beliefs would affect their attitudes.

Figure 5-2 Older Value Age Model

The results indicate that older participants used all information cues, yet significantly COO was used to assess value of price, rather than price being utilised individually. While it was evident that quality and price information did have an affect on attitudes of participants, this was not directly associated with altering cognitive processing in a favourable manner.

Quality values of products related to beliefs of COI of the particular product, affecting perceived quality value in which participants held. Values held by older participants differed significantly to that of younger participants.

Figure 5-3 exhibits that younger age groups use price as a main factor when generating a purchase evaluation. Through proposition two and three, younger participants portrayed the use of price as foremost issue when purchasing a product. Quality information also directly affected attitudes when combined with other eccentric cues.
Verbeke & Ward (2003) results indicated that consumers aged below 25 years were indifferent when using label cues such as COO and quality information were used less during a purchase evaluation than that of price. This is consistent with results displayed in this research project. Figure 5-3 also illustrates that price is a leading factor into changing the attitudes of a purchase evaluation in younger participants.

While there appeared to be difference between age groups when assessing the use of information cues in a purchase evaluation, little difference between gender could be established. Significantly, previous literature was unable to analyse any considerable links between gender uses of COO cues. Johansson, Douglas & Nonaka (1985) study illustrated that no consistent supported initial findings from previous literature in that no link could be established between genders in their use of information cues.

While results of age indicated that models (Figures 5-2 & 5-3) could be created to illustrate differences in attitudes and beliefs of different age groups, gender differences did not offer any indication that a variance could be observed between males and females. Therefore, it is considered that no viable links could be established between specific gender, age and how participants perceive and use different information cues.
5.3 Effects of CoOL as a brand recognition tool in a multiple cue study

This study has used multiple cues over both high and low experience situations to assess affects in which COO impacts on cognitive processing of consumers. While unanswered questions remain involving specifics of COO affects, results indicated that COO cues do indeed have a substantial effect on cognitive processing. The extent of this effect is more extensive than what previous literature has suggested.

Al-Sulaiti & Baker’s (1998) literature review of COO effects has shown that when multiple cues are introduced, the effect of COO is diminished. Previous literature findings have been refuted within this research as using multiple cues did have an effect in both situations on the perceived value and quality of the product. COO cues often served as a prompt for initialising recognition of a positive brand image, supplementing other cues to make a favourable purchase decision. This has demonstrated that not only has the impact of COO cues in a multiple cue environment not been tainted, but is strengthened as brand equity is associated with COO cues of various fruit and vegetables.

Results indicated that low valued products tend to use quality and price cues as a supplementary tool, where as COO cues were used primarily to strengthen beliefs and attitudes towards as a product. Thakor & Lavack (2003) suggest that consumers do not take intrinsic information into account due to the use of product branded categories. Due to the use of unpackaged items, this project has illustrated that intrinsic information is used in conjunction with extrinsic cues to make a favourable decision, particularly within a high experience situation as is displayed in Table 4-10. Phau & Suntommond (2006) illustrated that Australian beer consumers did not rely on COO cues when they were evaluating unknown brand names. Furthermore, consumers were unable to link brand names with a positive country image, resulting in a decreased dependency on COO cues. While Phau & Suntommond (2006) study demonstrated that a country’s image could not be associated with an unknown brand name, this research displayed that COO cues can infer perceived quality of a country’s image which is associated through the COO cue.
Thus, participants were able to recognise a positive brand through COO cues in a low experience situation. As unpackaged foods do not offer traditional brand names, the increasing importance placed on a COI is vital for positive brand recognition of consumers. Furthermore, the results indicated that a positive COI from high experience products is transferred to products in which consumers have low experience in, validating the necessity for a positive COI. Clemens & Babcock’s (2004) research verifies this notion suggesting that New Zealand lamb has used CoOL as a ‘country brand’ to differentiate lamb in international markets and consumer awareness, thus demonstrating a ‘country brand’ aids in generating a positive quality and value perception of a product.

Intriguingly, COO did serve as a brand recognition tool for some unpackaged fruit and vegetables. Traditional branding of products is neither prevalent nor possible in unpackaged fruit and vegetables. The COO was seen as influencing consumers’ opinions due to the increased participant awareness of potential benefits which are exasperated through COO images. The research endorsed theories raised by Sikand (1999) who describes emotional response as brand recognition, attitudes and value assumptions made when assessing a product with regards to the COO. Participants demonstrated that particular beliefs of value regarding the product are assessed using the brand recognition during evaluating products. This was evident when assessing oranges, as the COO cue was used to identify with possible benefits associated with the country image.

While COI could be used favourably, this is dependant on the amount of information given to consumers. While price and quality information was seen to affect the consumer decision making, COO and COI were predominantly used by consumers in both a high and low knowledge situation. Tangible high valued products such as automobiles offered significant differences in price and quality as was displayed by previous scholars. Intriguingly, this research project has displayed that COO and COI remain just as effective in a multiple cue situation, compared with a single cue environment.
There appeared to be significant attempts made by consumers to comprehend product images. Studies such as Fischer and Byron (1997) illustrated that campaigns are used effectively in ensuring consumers hold a wealth of knowledge of the product image and are therefore further probable to purchase. Results indicated that product’s image in that of navel oranges and sebago potatoes supported literature findings (Beverland, 2001; Fischer and Byron, 1997; Zhang, 1996). Participants with a high knowledge of a product’s image indicated they were more likely to purchase the product. Conversely, if participants held a low knowledge of the product’s image they were less likely to purchase the product. This notion was primarily apparent within older participants. The research supported the literature’s previous notion in that if consumers have knowledge of a country’s image then the community opinion of country’s may result in unfavourable or favourable attitudes towards its products (Zhang, 1996). This is exemplified through the New Zealand meat case study (Refer to Chapter 2.8.3 - Branding Systems: Meat Industries). The meat industry displays that product images of quality and value is widely accepted throughout major markets internationally, thus leaving consumers with a positive impression when COO is displayed on the product.

Fischer & Byron’s (1997) study exemplified the nature of product knowledge. It also becomes evident that the majority of participants were not aware of the supplementary benefits of Australian produce to that of foreign items, due to the lack of branding strategies employed by organisations such as the Australian farmers union. The results indicate that participants subjected to branding strategies were probable to enhance their attitudes and beliefs of a COI. It is evident however, that specific techniques and superior scale campaigns are required to effectively target participants more successfully.

Consumers internationally have increasing access to food originating from other country’s. Availability of a wide range of food sources will see the country image of particular products influencing consumer behaviour increase in the future (Skaggs et al., 1996). With a range of foreign products currently available to consumers within supermarkets and the use of a positive COI regardless of whether the product is domestic or foreign gives indications that a domestic products superior perceived value is
decreasing. Although, as supermarkets’ intentions are to offer 100% domestic produce, this raises queries as to consumer demands of comprising alternatives regarding the origin of items within a produce department. Furthermore, as Australia has strict importation laws regarding fruit, for example bananas, it may become unfeasible for foreign alternatives to be provided to consumers, reducing the choice for consumers.

5.4 Impacts of CoOL laws

With consumers becoming increasingly vigilant to CoOL, geographical labeling has been introduced ensuring that consumers are informed when conducting a purchase evaluation. With the introduction of CoOL laws in both Europe and America, a background has been provided as to trends which the Australian industry can anticipate, in terms of consumer reaction to COO labeling. Verbeke & Ward (2003) postulate that the success of food label polices builds on the role of labeling for correct market inefficiencies by expanding product information to consumers. Previously, the role of labeling in the meat industry has been widely study since the introduction of mandatory labeling in the EU. Scholars reported a positive consumer reaction to these methods was achieved while a positive perception of quality was enhanced. (Oude Ophuis, 1994; Verbeke & Viaene, 1999). During the introduction of beef labels in America during 2002, Rural Investment Act 2002 (Farm bill 2002), three surveys reported an overwhelming positive response towards COO labeling. Wirthlin Worldwide reported 86 percent; Vance Publishing indicated 80 percent while Schupp & Gillespie reported 93 percent

Verkeke, Ward & Avermaete’s (2002) results indicated that consumers classified some of the new compulsory information located on beef as the least important compared with other beef labels. While the introduction of labeling has become enforced across the globe, Australian agriculture industry is relatively inexperienced to contemporary laws. The results from this study indicated that comparable to Verkeke, Ward & Avermaete (2002) results, consumers did indeed use multiple cues to generate a purchase evaluation.
During this study law were introduced mandating that CoOL is displayed on unpackaged fruit and vegetables Australia wide (A feasibility study into extending country of origin labeling to selected packaged fruit or vegetables whole food produce, 2006). These laws were introduced into supermarkets approximately two months before the beginning of focus groups. Timing in the introduction of laws provided the study a unique and contemporary opportunity to examine actual effects in which mandating CoOL on unpackaged produce would have on cognitive processing of consumers. Many participants appeared to take little notice of the innovative labeling, rather preferring original methods of Australian flags. While this has been effective in the past, once participants were privy to new labeling techniques, an alteration in persona was exhibited. Many participants presently believe that such labeling (Refer to Appendix 4) is an effective way of transferring information to consumers with unpackaged fruit and vegetables.

The mandatory labeling may necessitate a promotional campaign to ensure that consumers are able to identify with this information. The Ausbuy initiative involves the use of information such as “Made In Australia” to promote the company’s cause (Refer to Chapter 2.6.6 – Ausbuy). While Ausbuy has been successful in promoting Australian products, this type of campaign could be used specifically to ensure that consumers are aware that CoOL now exists on all unpackaged products. COO is a potentially powerful image variable that can be used to gain competitive advantage in international marketing (Parameswaran & Pisharodi, 1994). This research has identified that CoOL techniques can be successful, with the condition that consumers have extended knowledge on where to locate the product information.

Previous literature has raised questions as to the need of mandating COO to ensure that consumers have an informed choice of products. While Hobbs’ (2003) study illustrated that there was no need to introduce such laws, Verbeke & Ward (2003) describes that mandating of labeling on products must have a perceived value to consumers. If there is no perceived value, mandating of this decision must be based on something other than helping consumers to ensure that this is an ethically correct decision. This research
project results demonstrated that new laws would influence a consumer’s purchase decision, therefore verifying the need for mandating CoOL on all unpackaged produce.

As seen through the results the majority of consumers would prefer to purchase Australian products, the impacts on supermarkets due to CoOL laws will have an adverse effect on stock in which supermarkets currently carry. While efforts are made to ensure that there is 100% Australian at all times, rarely is this seen. In fact the average is estimated at 90% of all produce originating from Australia. While there is evidence to suggest that impacts of these laws will favour Australian farmers more so than foreign grown produce, consumers still need to have adequate knowledge to recognise where to locate this information and methods to interpret it. It is recommended that campaigns such as ‘Ausbuy’ and ‘Buy Australian’ are magnified to ensure that consumers are aware of additional benefits, increasing their perceived value of the product.

5.5 Summary of findings

This research set out to explore the nature of COO effects impacting on consumer cognitive processing using fruit and vegetable products to develop theories. The findings indicated that a strong use of COO cues was used in both a high and low experience states. Furthermore, COO cues were the main primary tool in a purchase evaluation, which was contrary to previous speculation that multiple cues reduce the effect that COO cues has on consumers’ cognitive processing. COO cues were also utilised to increase perceived value of COI, thus resulting in a more favourable purchase decision.

COI results were consistent with the literature, yet it was evident that COO cues were amplified in a low valued product more so than that of high valued products. This was demonstrated in particular with older participants and this finding was also consistent with propositions developed earlier in the study. Furthermore, the study disputed claims that price has a major effect on purchase evaluations (Teas & Agarwal, 2000) illustrating that in a multiple cue environment, price is rarely used to infer quality as modest price disparities exist within low value items.
5.6 Limitations of the research

Certain limitations and constraints were placed on the project, primarily the academic level in which the thesis is being conducted at. The dissertation was also subjected to minor limitations which are discussed in the following section of this chapter.

Limitations of this research are highlighted in this section providing an outline for further areas of research. This is displayed for the benefit of other researchers wishing to explore COO effects within low valued items. The limitations emphasise that the study size was of considerable importance to quality of information gathered. While this study may be replicated on a larger scale, focus groups were adequate due to time and accessibility constraints placed on this study. Limitations of this study also provide a foundation in which scholars can further research COO effects utilising low valued items.

5.6.1 Qualitative research

Due to the exploratory nature of this research, a qualitative research method was employed. While a qualitative method allowed the researcher to gain in-depth insights concerning opinions and attitudes of participants, the sample size and validity of data was constricted due to misrepresentation of a market sample. Focus groups were useful in gaining opinions which are not available through quantitative research, while the researcher considered that focus groups could be used as a more effective method, in terms of efficiency and effectiveness in conducting research. However, due to the inconclusive nature of this research method this prevented any meticulous evidence being presented, subsequently resulting in the major limitation of this study.

Other options considered when conducting primary research include quantitative surveys. Quantitative surveys bequeath opportunities in exploring a range of variables including age, gender, culture, income and social class issues. Ethical and time constraints are factors influencing decisions to precede with survey data collection methods. Due to ethical constraints and the scope of the study, a quantitative survey would not conjure relevant information necessary to complete research objectives or answer research
propositions. It is therefore necessary to consider focus groups as the only viable option for conducting primary research as it pre-eminently depicts needs and objectives in context of this research project.

5.6.2 Study size and variables used in the study

The size of the study is recognised as a major limitation. As only twenty candidates were assessed, market size is not fully representative of overall market opinions towards using multiple cues in low valued products. Thus, effects in which COO has on purchase evaluations regarding the overall market becomes difficult to evaluate. Assessing limited amounts of participants reduced credibility and validity of the study results.

Specific issue of concern to this research project illustrate that variables utilised were restricted to age and gender, rather than exploring socio-economic variables involving social class, income and culture. While these variables did offer an insight into changing opinions due to differences in age and gender, a culture variable may have presented views into diverse consumer decision making. The study scope does not allow for culture to be assessed as a variable in conjunction with age and gender. While culture and social class variables would have contributed to validity of data, such variables were considered unnecessary at an honours level and therefore were not included within the study scope.

5.6.3 Accessibility of data

Accessibility of data was confined due to the exploratory nature of the project in conjunction with selected products used for this study. The products used in this study are confined to one area in particular, fruit and vegetables. There is no opportunity to explore a range of products which may bring different results to the project. Using different products (or variables discussed previously) may allow for the research project to take upon an explanatory, hypotheses approach in preference to a proposal driven method.
The project also did not expand into diverse markets or variables due to strict time limits which the research project is guided. An honours level project, limited time exists in collecting resources and explaining phenomena. It is there for conceived; a smaller project with a clearly defined scope and boundaries was of greater importance than exploring numerous areas. A clearly defined scope offered the researcher to explore in-depth phenomena of one particular area and to focus methods in verifying earlier propositions.

5.7 Summary of limitations

Limitations existing within this research provided the basis in which future recommendations for research could be founded upon. Limitations outlined in this section represented what could be further studied by scholars, as no major obstacle was documented in which this project was subjected to. Due to the research being confined to an honours level project, where primary research is not considered pre-requisite, research limitations purely provided boundaries in which future projects may extend.

5.8 Recommendations for further research

Due to the exploratory nature of this research project, many recommendations for further research are drawn upon.

While COO has been studied diversely, little literature exists explaining phenomena within low valued food products. Furthermore, due to recent laws mandating CoOL, opportunity for research projects has been developed within this area. While this study has provided an outline on how different information cues, in particular COO, have an effect on cognitive processing of consumers, there is further room to improve on the research in which this project has covered.

Previous literature has demonstrated that socio-economic variables including culture and income have an adverse impact on the buying behaviour of consumers; this was not explored within this project. Expanding the scope in which this research was confined to
will allow for a greater analysis of the industry to occur. Involving further variables within a project would provide a future researcher with the ability to assess impacts which mandating COO laws have on different cultures and income earners. While this project illustrated that differences between demographic variables are prevalent, future research would provide a more comprehensive understanding in how markets may be segmented to provide more effective advertising campaigns for domestic farmers, aiding in increasing sales of domestic products in comparison to that of international fruit and vegetables.

The qualitative nature of this project possessed many limitations which were drawn upon in the previous section. While focus groups did provide detailed insights, the sample size could not draw a representative overall market opinion. A future quantitative study would provide a more effective analysis of the industry attitude towards mandating of CoOL with unpackaged fruit and vegetables.

The use of fruit and vegetables may also be expanded within future research studies. While this project was confined to the use of fruit and vegetables, the new Standards Act 1.2.11 which is used to reinforce the Trade Practices Act which was previously introduced in 1998 (A feasibility study into extending country of origin labeling to selected packaged fruit or vegetables whole food produce, 2006) is not only designed for fruit and vegetables, but includes other fresh produce sections such as deli, seafood and meat departments. The originality of these laws provides opportunities for researchers to expand multiple cues, product evaluation research, into other areas of the supermarket.

Future researchers may also wish to explore ethnocentrism of participants and effects in which these have on attitudes and perceived value of the product. This research project identified that ethnocentrism was prevalent and had an effect on purchase evaluations, yet this was not listed within the research propositions in this project and therefore could be magnified in future research.
The managerial implications from this research extend from the overall topic answer in that the COO cue does effect purchase evaluations of consumers. It is evident that in low valued items COO cues are used for all products within the produce section to generate a purchase evaluation. Thus, managers must consider the use of COO cues in their produce departments and accessibility of this information to consumers. As law mandates the use of such cues, it can be assumed that consumers are more likely to assess COO cues and infer quality with the COI. This notion may also extend to larger scale industries enhancing the need for advertising campaigns of domestic items to increase the perceived value of Australia’s COI.

Furthermore, this research project has provided views on the benefits of quality information. The results outlined that the majority of consumers are unaware such information exists. Therefore, it can be recommended to produce managers that this information should become more accessible to consumers to aid in a positive purchase evaluation. This could be done through relevant in-store advertising campaigns, ensuring consumers are aware that this information is currently available.

As price was viewed as a secondary tool by numerous participants, it may also be considered that a slight increase of price in conjunction with availability of COO and quality information will not effect the purchase evaluation of consumers as perceived value of products remains high in the presence of other extrinsic cues. Thus, this may allow for additional profits to be gathered.

5.9 Conclusion

This chapter has provided a summary of recommendations and conclusions drawn from previous chapters within this dissertation. These conclusions have offered an insight into similarities this research has with previous literature on COO cues. The conclusions illustrate that COO does have an adverse impact on product evaluations, even more so when using low valued products. Chapter five has illustrated that this research project
has continued to add to the existing literature, providing an exploratory insight into the use of COO cues in both an Australian and low valued item environment.

This chapter also outlined that quality and price information does effect consumer evaluations, yet only when a COI can not be drawn upon. This chapter has also provided an outline of limitations in which this project has confronted, subsequently providing recommendations for future research.
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Appendices

Appendix 1 – Form of informed consent

Appendix 2 – Screening questionnaire

Appendix 3 – Focus group questions and exercises

Appendix 4 – Quality information

Appendix 5 – Evolution of COO literature
Appendix 1 – Form of Informed Consent

The researcher enrolled in HBM410 Honours Dissertation is conducting a series of focus groups with various individuals about Melburnians' opinions of fruit and vegetables. The aim of this project is to provide the researcher with the opportunity to conduct, to collect and analyse opinions of participants with the purpose of completing the dissertation project. The researcher intends to identify factors that influence purchasing decisions of consumers when buying fruit and vegetables.

The interview will be conducted at a mutually convenient time, prearranged by the researcher and is expected to last no more than 45 minutes. The interview will be in a focus group form, consisting of yourself and four other participants.

All data collected and analysed will be stored in password protected computers, and locked in filing cabinets, in accordance with the Swinburne Policy on the Conduct of Research. The anonymity of your participation is assured as personal details will not be recorded.

Participation in this research is entirely voluntary. If you agree to participate you may withdraw at any time by informing the facilitator.

If you have any questions please feel free to contact Dr. Alex Maritz on 9214-8045. Any complaints regarding the conduct of this research can be directed to:

Chair of the Ethics Sub committee
Faculty of Business and Enterprise
Swinburne University of Technology
P O Box 218
HAWTHORN. VIC. 3122
Phone: (03) 9214 8605

Or

The Chair
Human Research Ethics Committee
Swinburne University of Technology
P O Box 218
HAWTHORN. VIC. 3122
Phone: (03) 9214 5223

Thanking you in advance for your support for this study.
INFORMED CONSENT FORM
Participants Permission

Project Title: Country of Origin Effects on Consumer Cognitive Processing

June 2006

Dear Participant

PLEASE READ AND SIGN THE AGREEMENT BELOW:

I have read and understood the information above. Any questions I have asked have been answered to my satisfaction.

I acknowledge that I am under no personal obligation to participate in this interview.

I realise that I may withdraw from being interviewed at any time.

*It is the researcher's intention to collect data by videoing and taping interviews. You have the choice to agree to this request or ask the interviewer not to tape the interview.*

I agree to having this interview taped and transcribed and understand that I will not be identifiable. (Please circle one of the options)

AGREE    DISAGREE

I agree that research data collected for the study may be published or provided to other researchers on the condition that anonymity is preserved and that I cannot be identified.

PLEASE PRINT:

Family Name ............................................... First Name: ...........................................

Signature .............................................................................. Date............................
Appendix 2 – Screening Questionnaire
INTRODUCTION

Through this questionnaire I hope to find out your demographics and the previous experience that you may have had when buying fruit and vegetables. This questionnaire will be used to assess your eligibility to participate in the following focus groups, scheduled at a later date.

I appreciate you taking the time to complete the questionnaire.

Your answers are completely confidential so be as frank as you wish. There is no obligation to complete this questionnaire. Consent is implied if the survey is completed and returned.

The questionnaire should take no more than 5 minutes to complete.

NAME: ____________________________________________

1. What is your age?
   □ under 20, □ 20-29, □ 30-39, □ 40-49, □ 50-59, □ 60 or over

2. What is your gender?
   □ Female □ Male

3. Have you ever bought unpackaged, fresh, fruit and vegetables for general consumption?
   □ Yes □ No

4. When was the last time you purchased unpackaged fruit and vegetables?
   □ Within the last two weeks
   □ 1 Month Ago
   □ 6 months ago
   □ Within the last 12 Months
   □ Over 12 months ago

5. How often do you purchase fruit and vegetables
   □ More than 2 times per week
   □ Weekly
   □ Fortnightly
   □ Monthly
6. Please indicate your previous buying experience with the following products

1. Broccoli
   - No experience
   - Slight Experience
   - Regular Experience

2. Granny Smith Apples
   - No experience
   - Slight Experience
   - Regular Experience

3. Imperial Mandarin
   - No experience
   - Slight Experience
   - Regular Experience

4. Carambola
   - No experience
   - Slight Experience
   - Regular Experience

5. Navel Oranges
   - No experience
   - Slight Experience
   - Regular Experience

6. Cashew Nuts
   - No experience
   - Slight Experience
   - Regular Experience

7. Fennel
   - No experience
   - Slight Experience
   - Regular Experience

8. Lebanese Eggplant
   - No experience
   - Slight Experience
   - Regular Experience

9. Brushed Potato
   - No experience
   - Slight Experience
   - Regular Experience

10. Red Onions
    - No experience
    - Slight Experience
    - Regular Experience
11. Carrots
   - No experience
   - Slight Experience
   - Regular Experience

12. Galangale
   - No experience
   - Slight Experience
   - Regular Experience
Appendix 3 - Focus group questions and exercises
### Focus Group Questions

**Item 1 - Lebanese eggplant**

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would you buy Lebanese eggplant?</td>
<td></td>
</tr>
<tr>
<td>Lebanese eggplant originated from Australia, Would you buy the product?</td>
<td></td>
</tr>
<tr>
<td>Quality information provided, Would you buy the product</td>
<td></td>
</tr>
<tr>
<td>The price of the domestic product is $3.98 Would you buy the product?</td>
<td></td>
</tr>
<tr>
<td>The price of the Foreign product is $5.98, which product would you select?</td>
<td></td>
</tr>
</tbody>
</table>

**Item 2 - Fennel**

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would you buy Fennel?</td>
<td></td>
</tr>
<tr>
<td>Fennel originated from Australia, Would you buy the product?</td>
<td></td>
</tr>
<tr>
<td>Quality information provided, Would you buy the product</td>
<td></td>
</tr>
<tr>
<td>The price of the domestic product is $1.95 each Would you buy the product?</td>
<td></td>
</tr>
<tr>
<td>The price of the Foreign product is $1.40, which product would you select?</td>
<td></td>
</tr>
</tbody>
</table>

**Item 3 - Galangale**

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would you buy Galangale?</td>
<td></td>
</tr>
<tr>
<td>Galangale originated from Mexico, Would you buy the product?</td>
<td></td>
</tr>
<tr>
<td>Quality information provided, Would you buy the product</td>
<td></td>
</tr>
<tr>
<td>The price of the domestic product is $17.98kg Would you buy the product?</td>
<td></td>
</tr>
<tr>
<td>The price of the Foreign product is $14.98kg, which product would you select?</td>
<td></td>
</tr>
</tbody>
</table>

**Item 4 - Carambola**

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would you buy Carambola?</td>
<td></td>
</tr>
<tr>
<td>Carambola originated from Australia, Would you buy the product?</td>
<td></td>
</tr>
<tr>
<td>Quality information provided, Would you buy the product</td>
<td></td>
</tr>
<tr>
<td>The price of the domestic product is $14.98kg Would you buy the product?</td>
<td></td>
</tr>
<tr>
<td>The price of the Foreign product is $19.98kg, which product would you select?</td>
<td></td>
</tr>
</tbody>
</table>
### Item 1 – Navel Oranges

Would you buy Oranges?

Oranges originated from America, Would you buy the product?

Quality information provided, Would you buy the product

The price of the domestic product is $2.99
Would you buy the product?

The price of the Foreign product is $0.99, which product would you select?

### Item 2 – Avocado Hass

Would you buy Avocado?

Avocado originated from Australia, Would you buy the product?

Quality information provided, Would you buy the product

The price of the domestic product is $2.50 each
Would you buy the product?

The price of the Foreign product is $1.98 each, which product would you select?

### Item 3 – Sebago Potato

Would you buy Sebago Potato?

Sebago Potato originated from New Zealand, Would you buy the product?

Quality information provided, Would you buy the product

The price of the domestic product is $1.99kg
Would you buy the product?

The price of the Foreign product is $1.49kg, which product would you select?

### Item 4 – Imperial Mandarin

Would you buy Mandarin?

Mandarin originated from Australia, Would you buy the product?

Quality information provided, Would you buy the product

The price of the domestic product is $2.99kg
Would you buy the product?

The price of the Foreign product is $1.98kg, which product would you select?
Please rate on a scale of one to five, were one being the most important and five being the least important, the cues used when making a purchasing decision.

**Australian Produce**

<table>
<thead>
<tr>
<th>Cues</th>
<th>Navel Orange</th>
<th>Avocado Hass</th>
<th>Sebago Potato</th>
<th>Imperial Mandarin</th>
<th>Lebanese Eggplant</th>
<th>Fennel</th>
<th>Galangale</th>
<th>Carambola</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country of origin</td>
<td></td>
<td></td>
<td></td>
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<td>Price</td>
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<tr>
<td>Quality Information</td>
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<tr>
<td>Presentation of product (Does the product appear fresh)</td>
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<tr>
<td>Taste</td>
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</tbody>
</table>

1. Do you recognise the COO information during a purchase decision?
2. What other information, if any, do you use during the purchase decision?
3. What information, if any, influences your choice when purchasing fruit and vegetables?
4. Is your choice based solely on price, why?
5. Approximately how much time do you spend on a purchase evaluation with fruit and vegetables?
6. Are you aware that supermarkets provide quality information on all unpackaged goods?
7. Does the quality information provided affect your purchasing choice?

Think of the following scenario:
Two oranges of the same quality are the only items in the department. One of these oranges is an American grown product, while the other is an Australian alternative. The American product is $1.50 kg cheaper than the Australian alternative.
I. Which one would you prefer to choose, why?
II. Would you take note of the COO of each product?
III. If they were the same price, would you choose the Australian over the American product?
IV. Do you view Australian products as superior over an American alternative?

Think of the following scenario:
An American grown orange is the only available within the produce department. After an inquiry you are told that an Australian grown orange is only two weeks away from being in stock, yet this will be $2.50 more expensive.
   I. Would you wait for the Australian based product?
   II. Would you take note of the COO at all?
   III. Would you buy the American product as it is cheaper?
   IV. Would you stock the American product to ensure you do not have to pay an excessive price during the Australian fruit season?

8. How do you think you would perceive information from an Australians farmer’s representative?
9. Are there other alternatives you would use to buy cheaper, foreign grown products? Would you travel to achieve this?
10. Have you noticed any changes in the advertising of unpackaged fruit and vegetables over the last 6 months?
11. What are your impressions of old techniques used for COO labeling (show them the old method of labeling which was gathered through my work site)?
12. Do you feel current promotion techniques are adequate (show the participants the new techniques)?
13. Do you feel you are more likely to identify with COO information with new technique
Appendix 4 – Quality Information
Fennel

- SEASONAL AVAILABILITY

<table>
<thead>
<tr>
<th>Month</th>
<th>Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>J</td>
<td>Available</td>
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<td>F</td>
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<td>M</td>
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<td>M</td>
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<td>J</td>
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<td>J</td>
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<td>O</td>
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<td>N</td>
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<td>D</td>
<td>Available</td>
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</tbody>
</table>

- GENERAL INFORMATION: The flavour of fennel is sweeter and more delicate than anise. When cooked, fennel's flavour becomes even more mellow. The fennel bulb, stalks and flowery greens are all edible. Fennel seeds, used in flavouring sausages which come from a non-bulbous fennel. Baby fennel has a delicate flavour and much smaller in size.

- NUTRITION FACTS: Good source of vitamin C, dietary fibre and no fat.

- PREPARATION & USAGE TIPS: Use bulb as you would celery and seeds as flavouring. Excellent as a salad or with pasta. Feather like leaves at top may be used as a herb or garnish.

- STORAGE AND HANDLING TIPS: Keep in refrigerator vegetable crisper.

- NUTRITION INFORMATION PANEL

<table>
<thead>
<tr>
<th>Nutrient</th>
<th>Quantity per serving (serving size 10g)</th>
<th>Quantity per 100g</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>40kJ</td>
<td>100kJ</td>
</tr>
<tr>
<td>Protein</td>
<td>0.4g</td>
<td>1.0g</td>
</tr>
<tr>
<td>Fat, total</td>
<td>0.0g</td>
<td>0.1g</td>
</tr>
<tr>
<td>Saturated Fat</td>
<td>0.0g</td>
<td>0.0g</td>
</tr>
<tr>
<td>Carbohydrate</td>
<td>1.4g</td>
<td>3.3g</td>
</tr>
<tr>
<td>Sugars</td>
<td>1.4g</td>
<td>3.7g</td>
</tr>
<tr>
<td>Sodium</td>
<td>1mg</td>
<td>3.8mg</td>
</tr>
<tr>
<td>Vitamin C</td>
<td>3.6mg (9% RDI)</td>
<td>9mg (9% RDI)</td>
</tr>
<tr>
<td>Potassium</td>
<td>112mg</td>
<td>280mg</td>
</tr>
</tbody>
</table>

* Recommended Daily Intake

Quantities stated above are averages only.

Please Note: This information may vary due to seasonal influences and variety differences.

This fact sheet is not a substitute for specific dietary advice.
SEBAGO POTATO
Source of Vitamin C Niacin and Folate
Product of Australia
Appendix 5 – Evolution of COO literature
<table>
<thead>
<tr>
<th>Authors</th>
<th>Key Issues</th>
<th>Study Conducted</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schooler (1965)</td>
<td>• Large Quantitative Study, • South American, • Juice Labels.</td>
<td>Presenting four groups of 200 respondents of part-time students with juice product bearing fictitious labels denoting four different South American country’s. The study showed that products made in less developed country’s were not evaluated as quality products.</td>
<td>Cross Cultures</td>
</tr>
<tr>
<td>Reierson (1966)</td>
<td>• Attitude towards foreign products, • ethnocentrism.</td>
<td>Tried to determine the attitude of American consumers toward foreign products. Therefore, the questionnaire asked 105 business administration students and 50 psychology students to indicate their opinions of products from ten different nations.</td>
<td>USA</td>
</tr>
<tr>
<td>Schooler and Wildt (1968)</td>
<td>• Large quantitative study, • product domestic bias.</td>
<td>Measured the elasticity of product bias and 236 student respondents were selected randomly and divided into six groups. Each group examined two pieces of glassware, one of which was labeled as American, and the other as Japanese.</td>
<td>International</td>
</tr>
<tr>
<td>Schooler (1971)</td>
<td>• Extension on previous work, • Labeling, • Gender and age variables.</td>
<td>Tested bias phenomena with a broadly-based representative consumer sample. The results showed significant differences towards products of foreign origin, and a hierarchy of bias effect was observed. In addition, the results indicated that neither national nor regional labeling appeared to be more effective than the other. The products of Germany were rated better than those of Asia, India and Western Europe. On the other hand, US products also were rated better than those of India and Western Europe. The older age group rated the products of Asia, Africa, West Germany and North America lower than the younger age group. Females evaluated foreign products higher than males.</td>
<td>International</td>
</tr>
<tr>
<td>Nagashima (1971)</td>
<td>• Foreign product identification, • Labeling images.</td>
<td>Compared Japanese and American attitudes toward foreign and domestic products by using the semantic differential method. The purpose of the study was to measure the cross-cultural image of &quot;made in&quot; products as produced by US and Japanese businesses. The study consisted of a random sample of 230 Minnesota businesses chosen from the Minnesota Directory of Manufacturers and 100 Tokyo businesses chosen from the Tokyo Directory of Companies.</td>
<td>USA, Japan, Germany, UK, France, Italy, Switzerland, and Canada</td>
</tr>
<tr>
<td>Author</td>
<td>Study Description</td>
<td>Sample Details</td>
<td>Country(s)</td>
</tr>
<tr>
<td>------------------------</td>
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<tr>
<td>Greer (1971)</td>
<td>Investigated the usefulness of having the view of professional purchasing executives. Written questionnaires were presented to a random sample of 60 members (3 per cent) of the British Purchasing Officers Associations. Greer (1971) modified Osgood's (1957) semantic differential for use in his study. Thus, the surveyed purchasing officers were asked about the quality of products, in general, and the engineering &quot;know how&quot;, in general. Country’s used were. The findings of this study indicated that the older respondents rated their home country's product higher than the younger purchasing officers.</td>
<td>Australia, Belgium, Canada, France, Holland, Italy, USA</td>
<td></td>
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<tr>
<td>Krishnakumar (1974)</td>
<td>Attempted to examine the influence of country of origin on the product image of Americans and people from developing country’s and to investigate the effect of demographic variables on the &quot;made in&quot; image among those country’s. Product classes used in this study were mechanical products, food products and fashion products. Specific products used for evaluation in this study were automobiles, television sets, soft drinks and dress shirts. Respondents were asked about their perceptions of country’s and their perceptions of the quality of products.</td>
<td>USA</td>
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<tr>
<td>Green and Langeard (1975)</td>
<td>Compared French and US consumers in terms of consumer habits and innovative characteristics. The American sample consisted of 193 randomly chosen women from the cities of Dallas and San Antonio, Texas. Self-administered mail questionnaires were used to gather the needed data in the USA. On the other hand, the French sample consisted of 226 women from Aix-en-Provence, and the questionnaires were personally delivered and collected by a research assistant.</td>
<td>USA &amp; France</td>
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<tr>
<td>Darling and Kraft (1977)</td>
<td>Researched the impact of the &quot;made in&quot; label on Finnish consumers' attitudes towards the products of various selected country’s; Sweden, West Germany, UK, France, USA, Japan and Russia. &quot;A self-administered questionnaire was hand-delivered to potential respondents&quot; (p. 521). Again the findings of the study supported the hypothesis that knowledge of country of origin affected consumer attitudes toward products.</td>
<td>Finland</td>
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<td>Yaprak (1978)</td>
<td>Investigated purchase intentions among US and Turkish business executives for specific brands &quot;made in&quot; Germany, Japan and Italy. &quot;The major findings of the</td>
<td>USA &amp; Turkey</td>
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<tr>
<td>Study</td>
<td>COO perceptions</td>
<td>Country of origin effect on</td>
<td>Consumers attitudes</td>
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<tr>
<td>Chasin and Jaffe (1979)</td>
<td>• Made in labels • quality perceptions • COO affected consumers attitudes • Qualitative study.</td>
<td>Examined American industrial buyers' perceptions towards the quality of the goods &quot;made in&quot; Eastern European country’s (e.g., Czechoslovakia, Hungary, Poland, Rumania, and the USSR). Personal interviews were conducted and completed with more than 100 companies. Less than one-third (30 per cent) of the companies had had any form of business dealings over the past ten years with one or more of these country’s. Results of the questionnaires indicated that industrial buyers generally felt that the quality of the goods manufactured in the five Eastern European country’s was inferior to the quality of goods manufactured in the West. Therefore, Chasin and Jaffe's (1979) results supported the hypothesis of a country of origin effect.</td>
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<tr>
<td>Niffenegger et al. (1980)</td>
<td>• Images of one country in another • Quality perceptions • Automobiles.</td>
<td>Investigated the product images of British goods among a sample of French and British retail managers in terms of price and value, advertising and reputation, service and engineering, design and style, and consumer profile. Niffenegger et al. (1980), used the product categories of automobiles, electrical appliances, textiles, cosmetics, food and pharmaceutical products.</td>
<td>France &amp; Britain</td>
</tr>
<tr>
<td>Narayana (1981)</td>
<td>• COI perceptions between different country’s.</td>
<td>Examined the aggregate image of American and Japanese products. &quot;The aggregate image for any particular country's product refers to the entire connotive field associated with that country's product offerings, as perceived by consumers. The aim of Narayana's (1981) study was to find differences between US and Japanese products. The findings of the study indicated that US consumers perceived their country's home products to be generally of higher quality than products &quot;made in Japan&quot;.</td>
<td>USA &amp; Japan</td>
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<tr>
<td>Erickson, et al. (1984)</td>
<td>• COO effects on evaluation • COO effects beliefs not</td>
<td>Analysed the country of origin effects on the evaluation of automobile brands. Data were collected from 96 MBA students at the University of Washington. Subjects were asked about their beliefs and attitudes towards ten automobile models (e.g. four US, two German and four Japanese models). The empirical</td>
<td>USA</td>
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results indicated that country of origin affects beliefs but not attitudes. The authors argued that the study demonstrated that image variables also affect beliefs through inferences made by consumers: "It also indicated that the effect of image variables on attitude was not direct; any influence they have appeared to be a secondary one acting through beliefs" (Erickson, et al., 1984).

<table>
<thead>
<tr>
<th>Author(s) (Year)</th>
<th>Methodology</th>
<th>Country of Origin</th>
<th>Findings</th>
</tr>
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<tbody>
<tr>
<td>Morello (1984)</td>
<td>Image between domestic and foreign products, Made in labels.</td>
<td>Belgium, France, Holland, Italy, Spain, USA, USSR, West Germany</td>
<td>A comparative research on the image of domestic and foreign products. The purpose of his study was to determine what the relationship is between the image of a country and the image of the products &quot;made in&quot; that country. The results indicated a significant relationship between these two images and the research concluded that a country of origin effect does exist and may affect consumer buying behaviour.</td>
</tr>
<tr>
<td>Johansson et al. (1985)</td>
<td>Multi-cue method, Automobiles, COO are less significant than believed.</td>
<td>USA</td>
<td>Developed a multi-cue method for examining the impact of country of origin on product evaluation. The product class used was automobiles with ten car models &quot;made in&quot;. Johansson et al., (1985) concluded that &quot;country of origin effects may be less significant than has generally been believed, and they may occur predominantly in relation to evaluation of specific attributes rather than overall evaluations&quot; (Johansson et al. 1985, p. 395). Thus, their findings supported the hypothesis that the country of origin is used as a surrogate variable to evaluate a product when respondents have limited knowledge about that product.</td>
</tr>
<tr>
<td>Festervand et al. (1985)</td>
<td>Attitudes and quality perceptions of domestic products, Large quantitative study, Food products.</td>
<td>USA</td>
<td>Investigated consumers' perceptions of imports and their attitudes towards country’s product quality. Using a self-administered questionnaire, a random sample of 1000 consumers was selected in ten large south-eastern US cities. The product categories used were mechanical, food, fashion merchandise, electronic equipment, and leisure goods. Respondents were asked to rate the given country’s in terms of product quality. Minor differences in attitude were found across country’s and American consumers' perceptions of the country’s' products were mixed across the different product categories.</td>
</tr>
<tr>
<td>Heslop and Wall (1985)</td>
<td>Gender variables differences</td>
<td>Canada</td>
<td>Examined the differences between males and females on the basis of country of origin product image. Products &quot;made in Canada&quot; were ranked the highest by</td>
</tr>
</tbody>
</table>
- Made in label study.  
  
- Both males and females except for women's shoes, where Canada came second after Italy. It was also noticed that males preferred Italian clothing over the Canadian in terms of quality, while Romanian males' clothing was rated lower than clothing from other country's in the group. On the other hand, clothing "made in Far Eastern" country’s was rated the lowest by both males and females. Moreover, the results also indicated that females gave higher ratings in terms of quality to almost all country’s than males did, except for South Korea, Hong Kong and the Philippines.

### Becker (1986)
- Quality and perception relationships
- Multi country
- Halo effect exists.

- Measured US consumers' perceptions of the price/quality relationship of American vs. Japanese products. Four hundred individuals passing a card table set up in a shopping area of Boston were requested to participate in a four-question survey. The findings of the research indicated the existence of the "halo effect" pattern bolstering the pervasive image of products "made in Japan". According to Becker this was found even when the Japanese product was of lesser price. In addition, nationalism was found to be a dominant factor in influencing the Americans' purchasing behaviour when price and quality were constant.

### Ofir and Lehmann (1986)
- COI
- Intangible product
- Low experience with product

- Measured the country-level images of ski resorts in three European country’s - Switzerland, France and Austria. The findings revealed that the images of Switzerland, Austria, and France were relatively homogeneous with Switzerland and considered slightly more positively than France. Thus, American skiers, according to the findings, could not distinguish between resorts in European country’s, demonstrating a low level of familiarity with the product.

### Papadopoulos et al. (1987)
- Perceptions of foreign products
- Quantitative study
- COO does exist.

- Examined consumers’ perceptions of foreign consumer goods. Respondents were chosen through systematic cluster or quota samples. Products were evaluated on the basis of performance (two scales), price (three scales), before and after purchase product support (two scales), social image (three scales), market availability (five scales), and behavioural component (two scales). revealed the "There is no question that a country of origin effect does exist".

### Darling (1987)
- Attitudes towards foreign products

- Analysed the general attitude of Finnish consumers towards the products of various country’s (UK, France, Japan, USA and West Germany). Data were
<table>
<thead>
<tr>
<th>Study</th>
<th>Type of Study</th>
<th>Methodology</th>
<th>Findings</th>
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<tbody>
<tr>
<td>Ettenson, et al. (1988)</td>
<td>Quantitative study</td>
<td>Different attitudes dependent on country examined</td>
<td>Collected in 1975, 1980, and 1985 from 1,113 consumers living in three different cities in Finland. The results of the study indicated significant differences in consumers' attitudes in the three cities where data were collected. In addition, the &quot;made in&quot; label also showed significantly different product and marketing mix images. At the same time, the study revealed no causal relationship between this image dimension and actual market behaviour.</td>
</tr>
<tr>
<td>Ettenson, et al. (1988)</td>
<td>Quality perceptions</td>
<td>Made in labels</td>
<td>Cloths study.</td>
</tr>
<tr>
<td>Han and Terpstra (1988)</td>
<td>Brand name cues</td>
<td>Quality perceptions</td>
<td>Domestic and foreign products.</td>
</tr>
<tr>
<td>Han (1989)</td>
<td>COI on automobiles and TV'S</td>
<td>Halo effect</td>
<td>Examined the role of country image in consumer evaluations of TV sets and automobiles. Two brands were chosen for each product type. The respondents were also asked for their attitudes towards each brand using the same scale. However, the results suggested that country image can be used by consumers in the USA, Japan and South Korea</td>
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<tr>
<td>Study</td>
<td>Key Findings</td>
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<tr>
<td><strong>High and low knowledge.</strong></td>
<td>Product evaluations in either or both of two directions, as a halo construct (country image used to consider products that consumers know little about), or as a summary construct (as consumers become familiar with a country's products, country image may become a construct that summarises consumers' beliefs toward product attributes and directly affects their attitudes toward the brand).</td>
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<tr>
<td><strong>Hong and Wyer (1989)</strong></td>
<td>Investigated the cognitive process instigated when country of origin information is given in conjunction with other product information. The products used were a personal computer, and a video cassette recorder. The results of the study indicated that country of origin itself influenced product evaluations regardless of whether the additional product attribute information was known before or after and regardless of whether subjects were asked to understand the provided product information or to form an impression of the product.</td>
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<tr>
<td><strong>Khachaturian and Morganosky (1990)</strong></td>
<td>Investigated consumers' quality perceptions of apparel from the USA, South Korea, China, Italy and Costa Rica. The influence of three independent variables (country of origin, store type, and brand name type) was measured in relationship to the dependent variable, perceived quality. The results also indicated that when a store type was associated with different country's of origin, consumers' quality rating for the store type changed depending on the particular country with which it was associated. The authors believed that the amount of resulting change was related to the level of industrial development of the associated country of origin.</td>
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<tr>
<td><strong>Han (1990)</strong></td>
<td>Argued that country image may be conceptualised as a consumer halo. Therefore, Han (1990) designed a study to address the role of country of origin image in consumer choice behaviour. According to Han (1990) the halo hypothesis suggested that consumers may consider not buying an unfamiliar foreign brand simply because they may make unfavourable inferences about the quality of the brand from their lack of familiarity with products from the country. The findings of the study also demonstrated that consumers' willingness to purchase a product was related to the economic, political, and cultural</td>
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<tr>
<td>Country</td>
<td>Characteristics of the product's country of origin. Additionally, country of origin images were affected by the consumer's perception of similarity between his or her own country's and the origin country's political and cultural climate and beliefs systems.</td>
<td>Chao (1993)</td>
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<tr>
<td>USA</td>
<td>COO concepts, Evaluating hybrid products.</td>
<td>Attempted to address the multidimensional nature of the product/country concept. Specifically, the central focus of his research was to examine how US consumers would evaluate hybrid products with a multiple-country designation in terms of product design and country of assembly. The product selected for the study was a television set produced by Tera Electronics, Inc. of Taiwan.</td>
<td></td>
</tr>
<tr>
<td>Kochunly et al. (1993)</td>
<td>COO effects on evaluations, Automobiles, Quality perceptions, COO effects on consumer retention of information.</td>
<td>Developed a schema-based knowledge representation framework in order to test the effects of country of origin on product evaluations. The product used was the automobile with five product evaluation dimensions labeled as quality, performance, dealer service, comfort and variety/choice. The results of this study were consistent with those of earlier findings in that American automobiles were perceived less favorably than automobiles &quot;made in Japan&quot; in the category tested. Besides, consumers possessed a country of origin schema and those country of origin schemas affected consumers' retention of information about automobiles, as well as their judgments.</td>
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<tr>
<td>Lin and Sternquist (1994)</td>
<td>Information cues, COO quality perceptions, COO did not affect price estimates.</td>
<td>Attempted to investigate the effects of information cues, country of origin and store prestige on Taiwanese consumers' perception of quality and estimation of retail price. The product used was women's sweaters. Country of origin did not influence the consumers' price estimates in this study. The results also indicated that neither country of origin nor store prestige was found to have an effect on price estimates. Thus, Lin and Sternquist's (1994) findings supported the hypothesis of a country of origin effect.</td>
<td></td>
</tr>
<tr>
<td>Tse et al. (1996)</td>
<td>COO on high involvement products, Multi country</td>
<td>Attempted to find out how the country of origin effect affects local consumers' propensity to buy a high-involvement product (a colour TV). Results showed that country of origin significantly affected consumers' intention to purchase the product. For example, Hong Kong consumers have a significantly higher probability of buying Germany- and Japan-made colour TV sets than those made in Hong Kong, Germany, Japan, and South Korea.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>USA, Japan and South Korea.</th>
<th>Kochunly et al. (1993)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA, Japan and South Korea.</td>
<td>USA, Japan and South Korea.</td>
<td>USA, Japan and South Korea.</td>
</tr>
<tr>
<td>Taiwan</td>
<td>Taiwan</td>
<td>Taiwan</td>
</tr>
<tr>
<td>Hong Kong, Germany, Japan, and South Korea.</td>
<td>Hong Kong, Germany, Japan, and South Korea.</td>
<td>Hong Kong, Germany, Japan, and South Korea.</td>
</tr>
<tr>
<td>Study</td>
<td>Methodology</td>
<td>Findings</td>
</tr>
<tr>
<td>-------</td>
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<tr>
<td>Thakor and Pacheco (1997)</td>
<td>Quantitative study, Automobiles, Quality and price perceptions.</td>
<td>Attempted to replicate and extend the Leclerc et al. (1994) findings using similar stimuli and 266 undergraduate students from a Canadian university. The results of the study demonstrated that respondents preferred the most expensive cars (Toyota and Rover) but some of these changed their decision when informed that the prices of these two makes were 50 per cent higher than an available alternative. The results also indicated that product country images and ethnocentrism had a significant impact (both positive and negative) on the consumers' intention to buy.</td>
</tr>
<tr>
<td>Lampert, and Jaffe (1998)</td>
<td>Effect of country-of-origin, Dynamic process, Model based assessment, Product Image Perception</td>
<td>The objective of the paper is to propose a dynamic model of country-of-origin effect. While there is no consensus definition of CO, Measurement of the CO construct is necessary so that marketing strategy and production sourcing can be determined.</td>
</tr>
<tr>
<td>Sikand (1999)</td>
<td>Cue utilization, Consumer attitude, Country-of-origin effect</td>
<td>The objective of this study is to overcome the limitations prevalent in the present research work on country of origin by examining this phenomenon in a multi-cue and multi-dimensional 2 x 3 x 3 x 3 experimental setting. The study examines country of origin effect by considering both intrinsic and extrinsic cues along with product category familiarity, consumer ethnocentrism, demographic variables, and product category specific image of a country. The study uses three different levels of price and intrinsic quality information cues. Price and intrinsic quality can be of low, medium, and high. Branding country, sourcing country, and price are the extrinsic cues examined in this research. Various objective product quality features form the intrinsic cues.</td>
</tr>
<tr>
<td>Knight and</td>
<td>Marketing management,</td>
<td>A flexible model is devised and tested to represent country image processing, using data from large samples of US and Japanese consumers. In addition to</td>
</tr>
<tr>
<td>Source</td>
<td>Authors</td>
<td>Focus Areas</td>
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<tr>
<td>Calantone (2000)</td>
<td>Consumer behaviour, Models, Cross cultural studies, Perceptions</td>
<td>The flexible model represents a substantive improvement in the depiction of cognitive processing regarding country-of-origin image.</td>
</tr>
<tr>
<td>Phillip and Brown (2003)</td>
<td>Consumer ethnocentrism, Australian Focus, Qualitative and Quantitative study</td>
<td>The study investigates how consumer ethnocentrism impacts upon the purchase evaluations. Investigates if high level consumer ethnocentrism is favourable towards domestic products or not. Uses a quantitative study along with qualitative interviews and focus groups to gather information.</td>
</tr>
<tr>
<td>Lee, Yun and Lee (2005)</td>
<td>Rule of origin, Consumer behaviour, Market research, Statistical analysis</td>
<td>This study seeks to understand under what conditions COO is effective. In particular, this study investigates how situational and enduring involvement impact on the processing of product information containing COO cues. Results from this study suggest that situational involvement moderates the effect of COO cue on product evaluation. More importantly, situational involvement as a moderator is qualified when individuals are high in enduring involvement. Findings from this study support the notion that pre-existing level of enduring involvement tends to magnify the effect of situational involvement.</td>
</tr>
<tr>
<td>Phau and Suntorpornd, (2006)</td>
<td>Rule of origin, Brand image, Beer, Consumer attitudes</td>
<td>The main purpose of the study is to extend Schaefer's paper by investigating how different dimensions of consumer knowledge may affect country of origin cues with an Australian sample. A self-administered mail survey was used in this study. The main sample consisted of Australian residents who are aged 18 and above and may or may not be alcoholic drinkers. The results indicated that country of origin cues affect Australian consumers in beer evaluations despite its weak influences.</td>
</tr>
</tbody>
</table>

*Source: Adapted from Al-Sulaiti and Baker (1998)*