Effect of Country-Of-Targeting on Product Evaluations

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Given the pervasiveness of multilanguage product descriptions on product packaging, we introduce and test the concept of country-of-targeting (COT) effect. We suggest that after controlling for the country-of-origin effect, the effect of perceived COT will affect product evaluations. Two studies were designed to examine the COT effect. In the first study, perceptions about country-of-origin and the country-of-targeting were measured. In the second study, the country-of-origin will be held constant and the country-of-targeting will be manipulated. The results of Study 1 show support for the COT effect.

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There has been great deal of research examining the country-of-origin effect on product evaluations (Li and Wyer 1994; Maheswaran 1994) and its determinants (Gurhan-Canli and Maheswaran 2000). The basic premise of the country of origin effect is that consumers categorize products and apply organized prior knowledge about the categories (schemas) to evaluate new products (Meyers-Levy and Tybout 1989; Sujan 1985). These categorizations and the application of prior knowledge is based on inferences. These inferences are based on whatever information is known about the product at that point rather than on product observation. In the country of origin effect, one piece of information known when of making the evaluation is the country of origin. The purpose of this paper is to investigate the effect of another piece of information available to consumers when inferences are made, the perceived country of targeting (COT) of the product. We introduce this concept because, more and more, products sold in the U.S. have product information in different languages.

We hypothesize that one piece of extrinsic information that consumers use to make inferences about the product is the language used on the product packaging.

Specifically, we hypothesize:

H1: When consumers are presented with product descriptions in English and another language, they form inferences about the targeted countries as being both the U.S. and the country that speaks the language seen on the package.

The three products we selected (after pretesting) to test this hypothesis were a compact refrigerator, tortilla chips, and wine. These products were chosen for their expected country of origin effect and product familiarity. Color pictures of these three products with
products descriptions in different languages were created. One version had product descriptions in English; a second had product descriptions in English and Spanish; and a third had descriptions in English and French. Ethnocentrism, prejudice, and the relative dominance of the three languages were measured so that they could be used as mediating variables. Perceived country of origin and perceived country of targeting were also determined. These questions were followed by manipulation checks.

We hypothesize that product evaluations will be affected by the country of origin effect as well as the country of targeting effect. For example, the country of origin effect should result in higher evaluations when the country of origin is perceived to be France. The same wine perceived to have originated in France should have differential evaluations when the perceived country of targeting is the U.S. as opposed to Mexico. The relative dominance (between the U.S. and Mexico) of the language/culture will determine the direction of the difference in product evaluations.

\textit{H2-H5 (Summary):} After controlling for the country of origin effect, products perceived to be targeting more dominant cultures will have higher evaluations than products seen as targeting less dominant cultures.

Data were collected online at a large, public mid-Atlantic university from 112 subjects. Each subject evaluated each product in one language condition which yielded a sample size of 112 per product. Preliminary analyses of our data confirm most of our hypotheses.

In Study 2, the country of origin is part of the product description and, as such, is constant. This is a more rigorous test of the country of targeting effect.

We are introducing the country of targeting because of the current debate over multilingualism in the U.S. and the prevalence of multilingual packaging. We believe this concept has great theoretical and managerial implications.

\textbf{References}


\textbf{Anticipating Consumption: The Impact of Expectations on Decision-Making for Healthy Products}

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Making a decision in the marketplace is rarely easy. Consumers are frequently faced with many conflicting pieces of information regarding a particular purchase. This often makes decisions difficult and confusing. The decision-making environment itself rarely offers clear alternatives in which there is one obvious “best” alternative. Consumers can, however, better anticipate consumption by creating a set of expectations that can be used as a benchmark, so to speak, against which actual consumption can be compared. The well documented expectation-disconfirmation paradigm has been used to better understand consumer decisions for a myriad of different types of products, including, for example, automobiles, cable television, and university courses (Mano and Oliver 1993; Oliver 1993; Oliver et al. 1997; Westbrook 1987; Westbrook and Oliver 1991). Research has also been done on how consumers form expectations about products that are more experiential in nature (cf., Wilson, et al. 1989; Klaaren 1994; Phillips 1996; Phillips, Olson, and Baumgartner 1995; Phillips and Baumgartner 2002).

The importance of making a more informed decision is especially important in situations in which consumers are making decisions about their own health and nutrition (Kahn and Luce 2003; Moorman 2002). In these kinds of situations, where the consequences of an uninformed decision can impact an individual’s health, it is critical that consumer researchers and policy makers better understand how consumers anticipate consumption. Making decisions about one’s own health is complicated by the fact that consumers sometimes need to wait a long time before they can reach the conclusion that a given diet or exercise regimen was “successful.” The presence of healthier immune systems (from consumption of multivitamins) and stronger bones (from consumption of calcium) is difficult to discern. Further, the pursuit of good health through the prevention of chronic disease means that success is measured by endpoints that do not occur: avoidance of hypertension, osteoporosis, cardio vascular disease, and cancer, for example. The purpose of this study is to examine the importance of expectation formation for health-related products in which the product benefits are not immediately apparent.

\textbf{Study 1: Internally- vs. Externally-Derived Expectations}

Study 1 is designed to examine the extent to which the formation of an initial expectation is important to the decision-making for healthy products. In the absence of obvious, tangible product results, we hypothesize that the initial formation of expectations will have