COUNTRY OF ORIGIN EFFECT: EVIDENCES FROM EUROPEAN CONSUMERS’ OF A BRAZILIAN FASHION BRAND
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OF A BRAZILIAN FASHION BRAND

Thesis presented to Escola de Administração de Empresas de São Paulo of Fundação Getulio Vargas, as a requirement to obtain the title of Master in International Management (MPGI).

Knowledge Field: International Marketing

Adviser: Prof. Dr. Maurício Gerbaudo Morgado

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20/12/2016

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Prof. Dr. Thelma Valéria Rocha
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I would also to express my gratitude to my girlfriend, Juliana, who has given me valuable suggestions and supported me through the whole process of writing this dissertation. I am very grateful to have you by my side.

Finally, I would like to dedicate this dissertation to my friends in Piracicaba, whom even far away made my days happier.
ABSTRACT

This study aimed to better understand the European consumers’ behavior towards a foreign unfamiliar brand from a developing country based on the real internationalization case study of a Brazilian fashion brand (Osklen). The utilized framework was one of the most studied concepts in International Marketing, the Country of Origin (COO) Effect. This study intended to find evidences of the COO effect on European consumers’ evaluation of a Brazilian brand, based on a sample of students. In order to measure the COO effect on the brand, three survey scenarios were built. In the first scenario the subjects are told that the brand is Brazilian, in the second they are told that the brand comes from the USA and in the third and final scenario there is no cue regarding the origin of the brand. Five hypotheses were proposed and tested based on the literature review.

This empirical research has shown that there were statistically significant differences in the evaluation of the Osklen brand by the European consumer, depending on the country of origin informed of the brand, regarding quality, design, reputation and purchase intention. The research has found no connection between the country of origin of the brand and the willingness to pay a higher price for the products of the brand. We have proposed potential strategies that could be utilized by the company following the results of the research.

Keywords: consumer behavior, consumer - preference, new products, consumers - Europe, International Marketing, product brand, country of origin effect
RESUMO

Este estudo teve como objetivo a melhor compreensão do comportamento dos consumidores europeus em relação a uma marca desconhecida estrangeira de um país em desenvolvimento, com base no estudo de caso de internacionalização real de uma marca de moda brasileira (Osklen). O framework utilizado foi fornecido por um dos conceitos mais estudados em Marketing Internacional, o Efeito País de Origem. O objetivo deste estudo foi encontrar evidências desse efeito sobre a potencial avaliação dos consumidores europeus de uma marca brasileira, com base em uma amostra de alunos. Com o intuito de medir o Efeito de País de Origem sobre a marca, três cenários de pesquisa foram construídos. No primeiro cenário os indivíduo são informados de que a marca é brasileira, no segundo eles são informados que a marca vem dos EUA e no terceiro e último cenário não há nenhuma sugestão sobre a origem da marca. Cinco hipóteses foram propostas e testadas com base na revisão de literatura.

A investigação empírica demonstrou que existiram diferenças estatisticamente significativas na avaliação da marca Osklen pelo consumidor europeu, dependendo do país de origem informado da marca, com relação à qualidade, design, reputação e intenção de compra. A pesquisa não encontrou nenhuma conexão entre país de origem da marca e disposição de pagar um maior valor pelos produtos da marca. Estratégias foram propostas para a empresa estudada com base nos resultados da presente pesquisa.

**Palavras-chave:** Comportamento do consumidor, consumidores – preferência, produtos novos, consumidores – Europa, Marketing de exportação, marca de produtos, efeito país de origem
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLF</td>
<td>Beliefs</td>
</tr>
<tr>
<td>CIA</td>
<td>Central Intelligence Agency</td>
</tr>
<tr>
<td>COO</td>
<td>Country of Origin</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FDC</td>
<td>Fundação Dom Cabral</td>
</tr>
<tr>
<td>GCA</td>
<td>General Country Attributes</td>
</tr>
<tr>
<td>GPA</td>
<td>General Product Attributes</td>
</tr>
<tr>
<td>HDI</td>
<td>Human Development Index</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organization</td>
</tr>
<tr>
<td>MNE</td>
<td>Multinational Enterprise</td>
</tr>
<tr>
<td>SPA</td>
<td>Specific Product Attributes</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>
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1 INTRODUCTION

1.1 Overview

With the acceleration in the globalization of markets, the international trade became an extremely important activity, giving companies the opportunity to expand their reach to many new markets. According to the WTO, the international merchandise trade reached 19 trillion dollars in 2014 with an average annual growth of 7% since 1995 (despite of recent crises).

Given this growing importance, firms will find progressively more competitive markets, resulting in the need to explore better their competitive advantages, which is a characteristic that firms have that is unique which cannot be easily acquired or copied by competitors (Baker & Ballington, 2002). Physical and tangible attributes of products are relatively easy to copy; therefore, costumers need to search for other aspects to be able to consciously differentiate the firm’s products from competitors (Giraldi & Carvalho, 2004). In this sense, the image of the country of origin (if positive) can be used as competitive advantage by firms (Baker & Ballington, 2002).

The image of a country is directly linked with the evaluations that consumers make regarding products produced by it, resulting in a phenomenon known as “country-of-origin effect” (Giraldi & Carvalho, 2004).

The country-of-origin (COO) effect refers to the influence that information and perceptions towards a determined country have on consumer behavior in relation to a brand or product. Since the first empirical research conducted by Schooler (1965) gave the first insights about this effect, a great number of papers have been published regarding this theme (Rosenbloom & Haefner, 2009), making the concept of COO effect one of the most widely researched topics in marketing and international management contexts (Suh & Smith, 2008). An integrative literature review conducted by Durand (2015) has mapped the studies that have been published from 1980 until 2012 regarding this theme resulting in the following figures:
There were more than 350 papers published from 1980 to 2012, with 185 of those being published between 2006 and 2012, reinforcing the relevance and interest of the theme among researchers even more recently.

1.2 Research background

Twenty years after the monetary stabilization of 1994 that put an end of a period of hyperinflation in Brazil, the country presented a remarkable development in its social and economic indicators. There was a reduction of poverty, reduction of income inequality and increase in the HDI (Góes, 2014). In addition, the country became the 8th largest world economy and expanded its presence in world markets (CIA, 2016).

In this new context Brazilian multinationals were able to expand their activities and increase their influence in many global markets, with many successful stories in many different sectors, ranging from meat producers to aerospace conglomerates (Fleury & Fleury, 2012). The study of the COO effect acquires critical relevance for those emerging multinationals wanting to enter new markets, particularly when entering into the demanding (regarding expectations of quality and reliability of products) developed markets. This situation arises from the fact that previous researches have shown that consumers perceived products made in developed countries to be of superior quality in comparison with the ones made in emerging markets (Josiassen & Harzing, 2008; Usunier & Cestre, 2008).
Another important issue that emerging multinationals have to address is related to the product that they are intending to introduce. The COO is an important extrinsic clue for customers, especially regarding products that they are not yet familiar, mainly because consumers tend to turn to product origins and brand name as a mean of simplifying information processing. (Webb & Po, 2000).

Taking this setting into consideration, we have the recent moves of one of the most successful Brazilian multinationals called Alpargatas. The company is much better known by one of its brands that is the most recognizable among North Americans and Europeans: The Havaianas flip-flop (Belloni, 2015). In order to continue its international growth path, Alpargatas has recently bought a locally very well-known Brazilian premium fashion brand called Osklen and wants to turn it into a global luxury brand (Scheller, 2012). By the year 2016, the brand is already present in the USA and Japan and has timidly arrived in Europe, where it is still not very well known.

All this background gives us a very interesting setting to test a series of assumptions regarding the country of origin effect that might help boosting or halting the potential expansion of the Osklen brand in one of the most demanding and competitive markets for fashion and luxury in the world, the European market.

1.3 Overview of the Brazilian’s multinational enterprises

Until the beginning of the 1990s there was a general perception that developed countries were homes for multinational enterprises (MNEs) and emerging countries were hosts (Fleury & Fleury, 2012). With the economic restructuring process that initiated during the 1990s, countries that long remained far away from global markets have been opened up, resulting in increased willingness to join the globalization waves (Carvalho, Costa & Duysters, 2010). This process resulted in the rise of many developing countries MNEs, which today play more than just a secondary role in the global economy, with many of those MNEs leading several industries worldwide (Fleury & Fleury, 2012).

Even tough, the majority of the biggest MNEs in the world still come from the EU, the USA and Japan; there has been a significant change in this scenario in the past few years, with an
expressive increase in the number of developing countries MNEs in the list of companies with foreign direct investments (UNCTAD, 2015).

In Brazil the internationalization of firms happened almost a century later when compared to the ones coming from developed countries, however this process has been vigorously growing in the past decade, led mainly by favorable internal and external conditions regarding foreign direct investments and by the appreciation of the local currency (KPMG, 2008).

By the year 2015, Brazil had the presence of its multinationals in more than 100 countries as we can see in the Figure 2.

**Figure 2 – Geographical dispersion of Brazilian MNEs**

![Geographical dispersion of Brazilian MNEs](image)

<table>
<thead>
<tr>
<th>Number of companies in the country</th>
<th>&gt;30</th>
<th>21-30</th>
<th>11-20</th>
<th>2-10</th>
<th>Only 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of countries</td>
<td>2</td>
<td>6</td>
<td>11</td>
<td>53</td>
<td>28</td>
</tr>
</tbody>
</table>

**Note** – Adapted from Ranking FDC das Multinacionais Brasileiras (2015)

Although the Brazilian MNEs have a presence in all the continents of the world, Figure 2 leaves it clear that they are still very concentrated. Latin America, USA and China are the destinations where Brazil concentrate 20 or more multinational companies, leaving many important markets, such as the European, with a weak presence by their MNEs, with a presence of only 36% compared to 81% in Latin America (FDC, 2015).

Even with this relative concentrated position of its companies globally, Brazil were able to produce very successful MNEs in many diverse sectors, with good examples being Embraer,
JBS and Vale, global market leaders for executive jets, meat processing and iron ore extraction respectively. Figure 3 shows us the top 25 Brazilian multinationals in terms of internationalization:

**Figure 3 - Ranking of Brazilian Multinationals**

<table>
<thead>
<tr>
<th>Position</th>
<th>Company</th>
<th>Internationalization Index</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Fitesa</td>
<td>0.720</td>
<td>Non-woven</td>
</tr>
<tr>
<td>2</td>
<td>Oderbrecht</td>
<td>0.644</td>
<td>Construction</td>
</tr>
<tr>
<td>3</td>
<td>InterCement</td>
<td>0.573</td>
<td>Cement</td>
</tr>
<tr>
<td>4</td>
<td>Gerdau</td>
<td>0.560</td>
<td>Siderurgical</td>
</tr>
<tr>
<td>5</td>
<td>Stefanini</td>
<td>0.559</td>
<td>IT</td>
</tr>
<tr>
<td>6</td>
<td>Mafrig</td>
<td>0.536</td>
<td>Food Processing</td>
</tr>
<tr>
<td>7</td>
<td>Artecola</td>
<td>0.521</td>
<td>Chemical</td>
</tr>
<tr>
<td>8</td>
<td>Metalfrio</td>
<td>0.500</td>
<td>Consumer Goods</td>
</tr>
<tr>
<td>9</td>
<td>CZM</td>
<td>0.492</td>
<td>Heavy Equipment</td>
</tr>
<tr>
<td>10</td>
<td>JBS</td>
<td>0.488</td>
<td>Food Processing</td>
</tr>
<tr>
<td>11</td>
<td>Magnesita</td>
<td>0.479</td>
<td>Mining</td>
</tr>
<tr>
<td>12</td>
<td>Minerva Foods</td>
<td>0.388</td>
<td>Food Processing</td>
</tr>
<tr>
<td>13</td>
<td>Votorantim Industrial</td>
<td>0.365</td>
<td>Conglomerate</td>
</tr>
<tr>
<td>14</td>
<td>Tupy</td>
<td>0.361</td>
<td>Metallurgical</td>
</tr>
<tr>
<td>15</td>
<td>Tavex / Santista</td>
<td>0.350</td>
<td>Textile</td>
</tr>
<tr>
<td>16</td>
<td>WEG</td>
<td>0.309</td>
<td>Industrial Engineering</td>
</tr>
<tr>
<td>17</td>
<td>Tigre</td>
<td>0.304</td>
<td>PVC Solutions</td>
</tr>
<tr>
<td>18</td>
<td>Vale</td>
<td>0.273</td>
<td>Mining</td>
</tr>
<tr>
<td>19</td>
<td>Marcopolo</td>
<td>0.258</td>
<td>Automotive</td>
</tr>
<tr>
<td>20</td>
<td>Embraer</td>
<td>0.256</td>
<td>Aerospace</td>
</tr>
<tr>
<td>21</td>
<td>Camil Alimentos</td>
<td>0.253</td>
<td>Food Processing</td>
</tr>
<tr>
<td>22</td>
<td>Indusparquet</td>
<td>0.218</td>
<td>Timber Industry</td>
</tr>
<tr>
<td>23</td>
<td>Alpargatas</td>
<td><strong>0.213</strong></td>
<td>Manufacturing</td>
</tr>
<tr>
<td>24</td>
<td>Vicunha Textil</td>
<td>0.205</td>
<td>Textile</td>
</tr>
<tr>
<td>25</td>
<td>Andrade Gutierrez</td>
<td>0.194</td>
<td>Construction</td>
</tr>
</tbody>
</table>

**Note** - Adapted from Ranking FDC das Multinacionais Brasileiras (2015)

This internationalization ranking is calculated according to the UNCTAD methodology and takes into consideration the assets, the revenues and the number of employees each company has overseas in relation to the total, resulting in an index with the max value of 1 (completely foreign) and minimum value of 0 (completely national).
Highlighted we have the company that owns the brand Osklen (the main interest of this research), Alpargatas, demonstrating its relevance and international status among Brazilian MNEs, appearing in the 23rd position in the ranking.

1.4 Objective of the study

The objective of this study is to find evidences of the COO effect on European consumers’ evaluation of a Brazilian brand (Osklen) that wants to expand its activities entering the European market, based on a sample of students. In order to measure the COO effect on the brand, we will build three survey scenarios. In the first one we will tell the subjects that the brand is Brazilian, in the second we will tell them that the brand comes from the USA and in the third we will not give any cue regarding the brand origin.

In each scenario the consumers will be presented with the general description of the brand, along with images of some products and the most usual visual communication of the brand and then they will be asked to evaluate the brand regarding a series of attributes and purchase intention. After the collection of the data those scenarios will be compared to see if there are significant differences between them.

1.5 The Osklen brand

The history of the brand is strongly tied with the history of its founder and main designer Oskar Metsavaht, therefore in order to understand the brand evolution and its value proposition we need to start with the history of the founder himself.

Oskar Metsavaht was born in the city of Caxias do Sul, in the most southern state of Brazil (Rio Grande do Sul). He has come from a family that united a long tradition in medicine practice, together with the hobby in practicing radical sports and making adventure traveling (Santos, 2015). Metsavaht moved to the city of Rio de Janeiro in order to study medicine, where he graduated in the Universidade Federal do Rio de Janeiro, he also specialized in sport traumatology in the Hospital Pitié-Salpetrière in Paris (Santos, 2015).

In 1986, Metsavaht was invited to participate in an alpinism expedition to the Andes in order to conduct a research regarding the fitness of athletes submitted to extreme weather conditions.
In the condition the physician of the expedition, he designed and produced weather resistant coats for alpinism (Santos, 2015). His weather resistant coats got well known among his alpinists’ friends, whom started to order to him more and more pieces of clothing (Sernagiotto, 2006). Seeing an opportunity to target a non-explored niche, Metsavaht decided to create his own line of winter clothes focused on snow coats, creating the Osklen brand, which is itself an acronym for Oskar, Leonardo (his brother) and Milene (a former girlfriend), making the brand very personal to Metsavaht (Santos, 2015).

In 1988 the logo was created and, a year later, the first Osklen store was opened in Buzios (Sernagiotto, 2006), a rich coastal city in the state of Rio de Janeiro, which is very popular among the richest segments of the population of the state. Even though opening a store focused on snow coats in a warm tropical beach town might seem to be an absurd, Metsavaht knew that the Brazilian elite that came to the city for holidays also was used to travel to other countries with colder climates (Santos, 2015). With the success of the brand, it got extended beyond the snow coats, including lines of backpacks, t-shirts and shorts. (Santos, 2015).

From that moment on the brand started to become very popular in Brazil, expanding their collection and number of stores during the 90s, mainly focusing on sportswear, but always investing a lot in the fashion and design (Santos, 2015). Finally, during the 2000s the brand started to focus more on its style and fashion, with conceptual pieces of clothing and limited editions, furthermore the brand started to create seasonal collections for the Sao Paulo Fashion Week, the most important in Brazil (Santos, 2015). This movement, therefore, shifted the image of the brand from sportswear and inserted it into the fashion and lifestyle segments, always focusing the high end of the Brazilian market.

Currently the brand is divided into three lines per collection: Royal Label (with exclusive and sophisticated pieces), Osklen Sport and Brazilian Soul - with colored and stamped parts that reflect the Brazilian culture (Santos, 2015). The Osklen brand has always been strongly influenced by the lifestyle of its founder and main designer and as the time passed, this influence became clearer in the brand identity. With its evolution, Osklen started to bring allusions to the Brazilian lifestyle (or the lifestyle more strongly correlated with Rio de Janeiro) in the sense that the designs bring strong references to outdoor sports, to the balance between nature and the city, between the modern and the sustainable.
By the year 2012 the brand net revenues stood at 250 million Brazilian reais (approximately 70 million euros), with multiple stores in Brazil and some presence in international markets (Scheller, 2012). With the intention of capitalizing the company in order to strengthen and expand the international position of the Osklen brand, Metsavath has sealed the sale of the control of the brand to the Brazilian multinational Alpargatas (Scheller, 2012). Even though the entrepreneur has become a minority shareholder, he will still continue to have a strong voice in the future direction of Osklen, mainly because he is one of the main assets of it (Antunes, 2012).

According to the brand’s website, Osklen represents the lifestyle of the contemporary man and women, in a world in which coexist the urban and the nature, the global and the local, the organic and the technologic. The “Osklen Universe” is a reflection of the vision and Oskar Metsavaht style elements: fashion, art, culture, design and environment are part of the brand inspirational, which makes it more than just a brand, but the communication vehicle of that lifestyle (Osklen, 2016).

Since the brand has always been heavily influenced by the Brazilian lifestyle and with the recent moves to bring this popular local brand into the global luxury market, we have the perfect laboratory to test a series of assumptions regarding the country of origin effect.

1.6 Research questions

1. Does the country of origin have an influence towards the Osklen brand in the potential intention of European consumers to purchase?

2. Are the European consumers willing to pay a premium price depending on where the brand comes from?

3. Are the brand and the product more relevant for customers purchasing intentions than the country of origin of an unfamiliar fashion product?

4. Should Osklen try to hide or emphasize Brazil as being the country of origin of the brand when entering the European market?
1.7 Expected contributions

This study aims at better understanding how European consumers behave toward a foreign unfamiliar real brand and at providing a small further understanding of the COO and brand effects on those same consumers. Furthermore, this research might give some interesting insights for Brazilian multinationals, especially in the fashion and luxury industry, that might want to introduce a new product in the European market.
2 LITERATURE REVIEW

In the following sections of this literature review we will try to give a comprehensive understanding of the COO construct as well as other relevant concepts necessary to answer the research questions proposed by our research.

2.1 Country-of-origin definitions

In the past the COO refereed to the country in which the product was manufactured (Reierson, 1966). However, with the acceleration of the globalization, many multinational companies started to take advantage over countries with lower production costs, with companies outsourcing many parts of its production process. This trend is especially true for the clothing industry in general, specifically because its production has experienced rapid market-driven changes and is geographically dispersed, with most of the jobs concentrated in developing countries (ILO, 2014).

With the further evolution of this trend it becomes obvious that multinational companies have a global presence and, therefore, can have its productions facilities virtually in any continent of the world. In this context is it possible that a company from country X manufactures its product on country Y and assembles it on country Z. This situation has led to the need of further develop the concept of COO.

Thus the notion of “hybrid products” (Czepiec & Cosmas, 1983) or “binational products” (Han & Terpstra, 1988) is created to denote products that are manufactured in two or more country of origins. Following these ideas, Insch and Mcbride (2004) introduce the notion of Multinational COO for products that are produced simultaneously in two or more countries. Insch and Mcbride (2004) also introduce a model that divide the COO in three components, country of design, country of product assembly and country of product parts manufacture.

Finally, according to Godey et al (2012), the COO is usually associated with a product or brand, regardless of where it was truly manufactured. Therefore, following the evolution of the concept, some authors have defined the COO as being the country of origin of the brand of the product, thus making the brand origin the central point in COO studies (Balabanis & Diamantopoulos, 2011; Samiee, Shimp & Sharma, 2005). For the purpose of our research,
this is going to be the concept of COO that we will use, considering Osklen a Brazilian brand, disregarding its production process.

2.2 Country-of-origin as a product attribute

In the process of searching for the best alternatives to make a purchase, the consumers usually rely on a series of cues that are available to them regarding the products that they have the intention to buy. These cues are known as “product attributes” and help guiding the consumer when they are about to make a purchasing decision (Olson & Jacoby, 1972). These “product attributes can be both “intrinsic” (attributes directly linked to the physical characteristics of the product, like design) or “extrinsic” (attributes that are not directly linked to the physical characteristics of the product, like brand name).

Olson and Jacoby (1972) have noticed that consumers are influenced by both intrinsic and extrinsic product attributes and that a purchase decision is a combination of the influence of these two factors. In the Table 1 we have a few examples of the attributes that consumers can use in order to guide their purchase intentions for a fashion clothes brand.

Table 1

<table>
<thead>
<tr>
<th>Examples of intrinsic and extrinsic product attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic Attributes</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Design</td>
</tr>
<tr>
<td>Color</td>
</tr>
<tr>
<td>Fabrics</td>
</tr>
<tr>
<td>Prints</td>
</tr>
</tbody>
</table>

Note - Adapted from Olson and Jacoby (1972).

The extrinsic attributes are very relevant to consumers, especially when they can’t identify all the intrinsic attributes of the product or when they don’t have enough information or are not aware of the product being sold (Newman & Stealin, 1972).

The COO, according to Engel, Blackwell and Miniard (1995), work as another product attribute used by costumers to evaluate it before the purchase. This construct for the COO derives from the “cue paradigm”; where “cues” act as important marketing variables that influence purchasing decisions by potential customers (Giraldi & Carvalho, 2006). In this
sense, the COO works as an extrinsic cue or attribute for the product (Ayrosa, 1998). Therefore, we could update the Table 1 in order to add the COO as an important extrinsic product attribute that consumers take into consideration before evaluating a purchase and we will consider the COO as such for this research.

2.3 Country-of-origin effect

As aforementioned, the studies of the COO effect started in the mid-1960s with the publishing of the work of Schooler (1965). In his research, Schooler noticed that students from Guatemala evaluated more negatively products coming from Costa Rica and El Salvador when compared to identical products coming from Mexico. After this cornerstone on the study of the COO, many other researchers were inspired to investigate this phenomenon, becoming one of the most popular topics in the areas of International Marketing and consumer behavior (Samiee, 2011).

The studies regarding the COO effect are focused on identifying process that might help in explaining how a country of origin might influence in the evaluation of a product (Giraldi, 2008). The construct “country of origin effect” is developed from the idea that consumers make stereotyped evaluations and judgments regarding other people and countries and, as a consequence, extend these judgments to the products produced in those countries (Balabanis, Mueller, & Melewar, 1999). In this sense, according to Giraldi (2008), the stereotypes that consumers have from countries and people might transcend brand and products evaluations and determine, to some extent, the purchase intention and the consumer behavior.

The integrative literature review performed by Durand (2015) utilizing more than 350 published articles regarding the COO effect has defined the term similarly. The COO effect is the attitude (negative, positive or neutral) of individuals or group of individuals in relation to a country where “value offerings”, such as brands, products, technologies, service and others are originated (Durand, 2015). This effect is an entirely subjective attitude, even though the COO is an objective location (Durand, 2015).
Figure 4 - Nomological network of the COO effect

Note - Adapted from Durand (2015).

The figure 4 gives us an overview of the research conducted so far regarding the COO effect, showing, as well, the number of articles published regarding each one of the topics. The phenomenon of interest for this research is depicted in the center of the scheme, on the left; we have all the relevant antecedents that have influence over it and, on the right; we have the outcomes regarding Consumer and Organization Behavior that are directed influenced by the phenomenon of interest (COO effect). Highlighted in red we have the arrow which depicts the focus that the present research will have: the assessment of the COO effect over European consumers in relation to a Brazilian fashion brand.

Although this phenomenon has been extensively researched in the past 50 years, there is a lack of consensus in its definitions, therefore the definitions that we previously proposed are not definitive, but will be used in the context of this research.

2.4 Country image and its role in product evaluation

In the context of the COO we also find in the literature the concept of country image. Nagashima (1970) defined the country image as being the reputation, the stereotype or the representation that consumers usually assign to products of a given country. Variables such as
national characteristics, history, socioeconomic background and representational products help to create the country image among foreigner consumers’ minds (Nagashima, 1970).

The country’s image is composed mainly by the general perception that consumers have about the products of a particular country. This perception is based on the strengths and weaknesses of production and marketing of that country (Roth & Romeo, 1992).

The influence of COO cues on consumption behavior has been linked to the producing country characteristics. Parameswaran and Pisharodi (2002) developed their work to measure the image of a country in two groups of items, each on with their own dimensions. The first group of items was called GCA – General Country Attributes, with the objective to understand the general attitude that consumers have towards a country, including its people and history. The second group of items was called GPA – General Product Attributes and is related to the attitudes towards the general characteristics of the products manufactured in the country studied, including aspects related to promotion and distribution. Finally, the third group of items was called SPA – Specific product attributes and aims to capture the attitudes related to specific products in the country being studied and is not related to the measurement of the country image.

The figure 5 presents Parmeswaran and Pisharodi model that introduces COO images and effects:

Figure 5 - Country image and effects

Note - From Parmeswaran and Pisharodi (2002).
To summarize the model and to apply in the context of this research we can consider that the intention of purchase of consumers is going to be directly influenced by the specific product attributes (SPA) of the Osklen brand that is previous influenced by the general idea that consumers have about Brazil in general and the image of the products usually produced by it (GCA and GPA).

Further developing in the concept of country images and its effects we have that when consumers are presented with a COO cue together with other cues, such as brand and price, we can have the country image can work either as a “halo” or as a “summary construct” (Han, 1989). According to Han (1989) the halo construct model suggests that the COO directly affects consumers’ beliefs about product attributes and indirectly affects overall evaluation of products through those beliefs. This model fits well when consumers are not yet familiar with a country’s product or brand (Han, 1989).

Figure 6 - Simplified Halo Model

![Simplified Halo Model](image)

Note - Adapted from Han (1989).

The figure 6 gives us a general idea of the Halo Model, implying that the country image influences the customer believes that will therefore influence in their attitudes towards the brand (purchase behavior).

The summary construct, on the other hand, occurs when the consumer starts to become more familiar with a country’s products, resulting in the country of origin becoming a construct that summarizes beliefs (BLF) about product attributes and directly affecting their brand attitude (Han, 1989). The figure 7 bellow presents the simplified model:
Taking into account both the halo and summary constructs described before into consideration, the country image model proposed by Laroche et al (2005) simultaneously demonstrates how both of the constructs affects the final product evaluation directly or indirectly. In addition to Han’s model, the model also incorporates extra antecedents for the country image in addition to beliefs.

The figure 8 presents Laroche’s et al model where we have that the country image is created on the consumers’ minds by antecedents (country beliefs, people affect and desired interaction), based on those antecedents the country image influences directly and indirectly the final product evaluation by those same consumers, utilizing the halo or the summary constructs.

Continuing the evolution of the COO cognitive process mechanisms, we have an extensive literature review performed by Bloemer, Brijs and Kasper (2009) in which in addition to the
halo and summary construct effects previously described we have also two extra identified
effects that influences the consumers’ behavior, the “default heuristic effect” and the “product
attribute effect”.

The “default heuristic effect” happens when the processing of the COO cue is done together
with the processing of additional product information and there is an interaction between the
two (Bloemer, Brijs, & Kasper, 2009). The “product attribute effect” occurs when both the
COO cue and the extra product information are being processed at the same time (Bloemer,
Brijs, & Casper, 2009).

The use of all four COO cognitive process mechanisms are expected to influence the
consumer behavior in relation to the final product evaluation and purchasing decisions in
varying intensities depending the previous knowledge that consumers have of the COO
(Bloemer, Brijs, & Kasper, 2009).

2.5 Country-of-origin effect: developed vs. emerging countries

Country image profiles (country centered associations and beliefs) are very similar to a ‘brand
image’ for these same countries (Kotler and Gertner 2002; Papadopoulos and Heslop 2002). It
comprehends assumptions regarding values, competencies, weaknesses and strengths
permitting consumers (similarly to product brands) to create a consistent expectation towards
quality. Furthermore, country image profiles (or country brands) are based on past
experiences that customers develop when acquiring products coming from determined
countries, building interactions with other variables that create an overall brand image of a
country (Karunaratna & Crouch, 2016).

In this context, according to Karunaratna & Crouch (2016), as new players enter international
markets with unfamiliar brands, COO continues to be a very important factor in determining
consumer purchasing decisions, with products from western developed countries still being at
a significant advantage compared with developing nations. Consumers in developed markets
ten to perceive products from less developed markets to be of lower quality, while those
from other developed markets are considered to be of similar or superior quality to their own
domestic products (Gurhan-Canli & Maheswaran, 2000).
Consistent with this view of the relationship between developed/developing countries and the COO effect is the Country Brand Index (2014) calculated by the consultancy FutureBrand. This index studies the perceptions of countries around the world, similarly to the measure of consumer or corporate brands – ranking them according to strength of perception across purpose/status dimensions (Quality Of Life, Value System and Business Potential) and experience dimensions (Culture, History, Tourism and ‘Made In’). The results of the ranking are summarized in the Figure 9 below:

**Figure 9 - Country Brand Ranking Matrix**

The Figure 9 relates an average purpose score (related to status variables) with an average experience score (related to experience variables), building a matrix and positioning all the 75 countries surveyed according to their relative position on both axes. The countries with the highest scores in both dimensions are considered to be real “country brands”, they are found on the top right corner of the matrix. These countries are considered to have a competitive advantage against others, which translates also to the competitiveness of their own MNEs because people are more likely to choose products from those countries than from others worse positioned in the matrix (Country Brand Index, 2014).
The relative positions on overall country brand ranking are also depicted in the Figure 8. The top ten countries with the highest country brand score are all developed, with a majority being European countries and are respectively: Japan (1), Switzerland (2), Germany (3), Sweden (4), Canada (5), Norway (6), United States (7), Australia (8), Denmark (9), Austria (10). Brazil (highlighted in red), on the other hand, is in a much modest position compared with its developed counterparts, being only in the 43rd position among 75 countries.

Verlegh and Steenkamp (1999) on their meta-analysis on country of origin research have concluded based on the evaluation of 41 empirical studies that the country of origin effect is larger in studies that compare developed countries against developing countries, with products from the latter being generally evaluated less positively than products from the former. Consistent with this view, Koschate-Fischer, Diamantopoulos and Oldenkotte (2012) concluded that consumers are more prone to spend money for products originating from countries with a better image, associating the image with a higher quality and better product reliability.

Therefore, based on the previous discussion regarding the COO effect for developing and developed countries we can derive the first two hypotheses of this research:

- **Hypothesis 1**: European consumers will have a general evaluation more positive for a brand coming from a developed country (USA) compared to a developing country (Brazil)
- **Hypothesis 2**: European consumers will be willing to pay a premium price for a brand that comes from a developed country (USA) compared to a developing country (Brazil)
- **Hypothesis 3**: Brazil as the COO for the Osklen brand will most likely have a negative influence in the potential intention of purchase for European consumers

### 2.6 Categorization theory

Another important construct for this research is regarding to the ability of consumers of identifying the COO of the product. This construct is known as categorization theory (Lee & Ganesh, 1999) and is relevant regarding the predicted consumer behavior towards a brand.
Researchers have analyzed if consumers associate the correct country of origin to certain products or brands and if a wrong association of COO influences the consumer’s behavior and to what extent. According to the theory there are 3 possible scenarios: (1) the correct recognition of the COO of the product, (2) the incorrect classification of the COO and (3) the inability to infer regarding the product COO (Balabanis & Diamantopoulos, 2011).

The correct association of the COO for a product influences the consumer behavior and can be either positive or negative, depending on the overall image of the country associated with the product or brand (Balabanis & Diamantopoulos, 2011).

The incorrect association of the COO, similarly, can also influence positively and negatively the consumer behavior. When consumers wrongly associate a product or brand with a different country of origin, their evaluations of them can be influenced, resulting in a purchase decision that might not have happened if the right country of origin was identified (Balabanis & Diamantopoulos 2011). In the same way as the correct association can be both positive and negative, the wrong association can be useful for a product or brand if the COO that is being wrongly attributed to them has a better image than the correct COO. Even though that wrongly associating a product or brand to a country can happen involuntarily, this can also be used strategically by a company that wants to ensure a better acceptance of their product on the market, especially if this company faces a disadvantage on the COO of its product or brand (Balabanis & Diamantopoulos, 2011).

Finally, according to Balabanis & Diamatopoulos (2011) there are cases in which the consumer is not capable to infer on the country of origin of the product or brand being evaluated. This might happen because of lack of enough cues to the consumer indicating the country of origin of the brand, made intentionally or not by marketers in order to “hide” the real country of origin of the product (Zhou, Yang & Hui, 2010). Balabanis & Diamatopoulos (2011) affirm that is always better to have a categorization of the brand by the consumer, even if wrong because it will influence more his purchase behavior.

In the Table 2 bellow, we have example of brands that can be classified in each one of the categories that we previously described, in addition, we also added the brand of study of this research.
Since we want to understand the potential purchase behavior for the Osklen brand, we will add a scenario in our research where we do not give any clue to the consumer and ask them to guess from which country the brand come from and to compare this scenario with the ones where we specifically tell where the brand come from. Therefore, we can add two more hypotheses to our model.

- **Hypothesis 4**: The consumers will not be able to identify the Osklen brand as a Brazilian brand in the absence of a clear statement regarding the COO.
- **Hypothesis 5**: The country of association of the brand will likely influence in the consumer behavior, differing from the scenarios where the consumer is clearly advised from where the brand come from.

### 2.7 How to measure the country of origin effect

The country of origin effect can be measured either through direct or indirect evaluations. Questions such as “When you buy a product, what is the importance that you give to the country where it was produced?” or “What is the importance that you give to the ‘made in’ label before you buy a product?” are examples of how to directly assess the country of origin effect (D’Astous & Ahmed, 1999). On the other hand, the indirect evaluations would rely mainly on experimental projects. Those projects would typically describe a product with a series of attributes (cues) and try to measure the impact of the country of origin and other cues.

---

**Table 2**

*Categorization theory examples*

<table>
<thead>
<tr>
<th>Scenario 1: Correct classification</th>
<th>Scenario 2: Incorrect Classification</th>
<th>Scenario 3: No clear association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
<td>COO</td>
<td>Brand</td>
</tr>
<tr>
<td>Armani</td>
<td>Italy</td>
<td>Samsung</td>
</tr>
<tr>
<td>Dior</td>
<td>France</td>
<td>Haagen Dazs</td>
</tr>
<tr>
<td>Zara</td>
<td>Spain</td>
<td>Kinder</td>
</tr>
<tr>
<td>Coca-Cola</td>
<td>USA</td>
<td>Ginsu knives</td>
</tr>
<tr>
<td><strong>Osklen?</strong></td>
<td><strong>Brazil</strong></td>
<td><strong>Osklen?</strong></td>
</tr>
</tbody>
</table>

*Note* - Adapted from Malota & Soares (2008).
in the general assessment of the product (Verlegh & Steenkamp, 1999). In those experiments, the subjects usually compare the same products differing only in its country of origin, based on the differences of the results of those evaluations; researchers can indirectly draw conclusions regarding the country of origin effect (Giraldi, 2006).

According to D’Astous and Ahmed (1999) the direct evaluations are prone to many biases and imprecisions, especially because it can be very hard for consumers to precisely evaluate the importance of the country of origin in the context of a purchasing decision. In addition, when the consumer is directly asked about the importance the country of origin in their purchasing behavior, they might be inclined to demonstrate to the research that they are logic and rational, basing their decision in intrinsic rather than extrinsic product attributes such as the country of origin (Giraldi, 2006). Therefore, given those limitations, we believe that an indirect approach is more recommended.

In order to be able to operationalize the country of origin research a series of scales have been proposed in the literature since Schooler (1965) first asked consumers from Guatemala to rate some products from other central American countries and compared the results. The main limitation of this earlier study is related to the method, since it only addressed to a single cue (country of origin) to the respondents and the purchasing decision process involves the process of much more cues that interact at the same time by the consumer.

The first scale used to try measure the country image and the country of origin effect was proposed by Nagashima (1970) when he tried to identify the image that Japanese and American businessmen had regarding the products coming from the USA, Japan, Germany, France and England. In his study, Nagashima (1970) proposed a seven-point semantic differential scale on consumers’ quality evaluation of the products, grouping 20 questions regarding the “made in” of the product in 5 dimensions: (1) price and value, (2) service and engineering, (3) advertising and reputation, (4) design and style and (5) consumers’ profile.

Papadopoulos (1986) made improvements to the scale proposed by Nagashima (1970) removing some of the underlining questions from the previous research and adding new variables to it, resulting in a scale with 6 dimensions: (1) Engineering and Design, (2) Price and Value, (3) Marketing Integrity, (4) Marketing Presence, Prestige and (6) Experience.
Parameswaran and Pisharodi (2002) developed a scale that not only focused on the attributes relative to the product from a determined origin, but also how the country generally is perceived (General Country Attributes – GCA) and how the products that the country produces (General Product Attributes – GPA) also affect the overall perception of the product itself (Specific Product Attributes), as seen on the Figure 4 in the chapter 2.4. Each one of the groups proposed by the scale introduced by Parameswaran and Pisharodi (2002) have several questions to be evaluated, all of them divided in a semantic scale containing 10 points.

According to Roth and Diamantopoulos (2009), there are currently three main approaches for COO effect research: 1) focus on the country image, 2) focus on the products coming from particular countries and how perceptions differ from them and 3) focusing on both product and country images antecedents and how the interact with each other. This research takes the second approach, because the format of this research is a case study of a specific Brazilian brand, therefore there is no intention to assess the variables that influences international consumers on building an image towards the country, on which the brand of interest has very limited influence.

The focus of this research will be to assess how Brazil’s image influences the perceptions of European consumers towards the Osklen brand and how to propose strategies for the company internationalization based on the results of the research. In order to achieve this goal, we will use the insights provided by the scales developed by Nagashima (1970), Papadopoulos (1986) and Parameswaran Pisharodi (2002) to develop our own survey. With the two first scales we took the insights regarding product evaluation, with the last one we have taken insights regarding specific product attributes (SPA) and purchasing intention, ignoring the General Country Attributes (GCA) and General Product Attributes (GPA) mensuration because the brand has no influence over them and knowing those antecedents have no impact on the company strategy for internationalization.

2.8 Research outline

Based on this literature review we have developed some critical concepts necessary to understand the research proposed for this case study. Therefore, this final chapter is going to present a summary of the main concepts present in the literature review, together with a model proposed to evaluate this research hypothesis.
First we have defined that the COO as the country of origin of the brand, disregarding its production process. Based on this definition we proposed that the COO interacts with products and brands as an important extrinsic attribute, such as price and reputation, influencing the overall attitude of the consumer towards the brand of interest.

Having defined the COO, we moved forward on defining the COO effect as the attitude (negative, positive or neutral) of individuals or group of individuals in relation to a country where “value offerings”, such as brands, products, technologies, service and others are originated (Durand, 2015). In addition, we have defined country image, its antecedents and how it affects consumers’ attitudes directly and indirectly towards products and brands evaluations.

With the concepts of country of origin effect and country image in mind we have made a brief discussion regarding developed and developing countries images. In this discussion we found out that the country developing countries have consistently worse country images then its developed counterparts and that consumers from developed countries tend also to find products from developed countries more preferable than those from developing countries.

We also introduced the concept of the Categorization Theory in which the consumers have three possible scenarios for categorizing a foreign product or brand: correct association, incorrect association and no clear association. Each one of the possible scenarios has important implications for a brand or product and can be used strategically by companies.

Lastly, we have discussed the most common methods utilized to measure the COO effect and utilized some scales found in the literature to develop our own survey and be able to assess the potential effect that Brazil as the COO has over the plans of internationalization of the Osklen Brand and to propose different strategies based on the results.

Based on the literature review and the hypothesis developed, we introduce on the Figure 9 the outline that summarizes all the most relevant aspects of this research and that will be further developed on the methodology session.
In the Research Outline we have the model that the present research will follow, starting with the basic attributes of the brand that will be measured by our survey and that are part of the identity of the Osklen Brand. Based on those attributes, the subjects will be randomly selected on each one of the ABC groups and receive a survey based on the assigned group, it is important to notice that the survey that is going to be given for each group is going to be exactly the same, with the only difference being related to the informed country of origin of the brand (Brazil, USA or no information). Based on the responses of the different surveys, we will be able to test each one of the hypothesis developed in the literature review. In the Research Outline, the hypothesis developed are being identified by the letter “H” plus the correspondent number of the hypothesis being tested on each step. In order to test the validity of the hypotheses, statistical tests are going to be employed in order to guarantee the significance of the differences on each group tested.
3 METHODOLOGY

In this session of the research it will be detailed and justified the main methodological choices of this work. We have selected a sample of European consumers and have randomly assigned them different versions of our survey forming three distinct groups from the initial sample. After this phase will analyze the different results utilizing statistical techniques to find out if there are statistically significant differences among the groups defined in order to confirm or reject the hypotheses proposed in this research.

3.1 Research type

According to Malhotra (2007), there are three basic approaches for marketing research: exploratory, descriptive and causal. These three approaches differ between themselves in terms of objectives, characteristics and data gathering methods (Malhotra, 2007). In the Table 3 bellow we are able to compare the three basic research types:

<table>
<thead>
<tr>
<th>Research Type</th>
<th>Objectives</th>
<th>Characteristics</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploratory</td>
<td>Provide criteria and understanding</td>
<td>Flexible process, starting point of novel research</td>
<td>Qualitative analysis, in depth interviews</td>
</tr>
<tr>
<td>Descriptive</td>
<td>Describe characteristics or market functions</td>
<td>Formal and structured process, hypothesis formulation</td>
<td>Quantitative analysis, secondary data</td>
</tr>
<tr>
<td>Causal</td>
<td>Determine relations of cause and effect</td>
<td>Formal and structured process, hypothesis formulation, manipulation of independent variables</td>
<td>Quantitative analysis, experiments</td>
</tr>
</tbody>
</table>

Note – Adapted from Malhotra (2007).

Based on the previous definitions we can conclude that the present research is going to be of the causal type because we want to measure the impact of different countries of origin on consumer’s perceptions of the products (price, design, quality, reputation) and the consumer’s purchase intention towards the brand of this study.

The main purpose of this quantitative research is to answer the previously proposed research questions. The format of the research is random sampling, because only a randomly chosen sample from the population of interest (European consumers) is going to be evaluated. The
data utilized can be considered primary because it has been collected for this specific study purpose. This is a cross-section study because the data is collected only once from the multiple individuals which are part of the different groups that were assigned with a survey. The target group of this questionnaire is young European consumers, between the ages of 18 and 35 years old (same target group as the Osklen brand). The empirical part of this study was conducted in the form of three different surveys (Appendix A, B and C) applied to the randomly selected groups to test the proposed hypotheses.

We have established that our independent variable is going to be the country of origin of the Osklen brand. This variable is going to be manipulated on each survey that is going to be applied to the three different groups of consumers.

3.2 Research and survey design

As stated in the introduction of our research, the main purpose of this study is to apply the knowledge of the country of origin effect into a real case of internationalization of a Brazilian brand and to assess the potential strategic implications based on the results. Based on the literature and in the real case of internationalization of the Osklen brand, five hypotheses were developed:

- H1: European consumers will have a general evaluation more positive for a brand coming from a developed country (USA) compared to a developing country (Brazil)
- H2: European consumers will be willing to pay a premium price for a brand that comes from a developed country (USA) compared to a developing country (Brazil)
- H3: Brazil as the COO for the Osklen brand will most likely have a negative influence in the potential intention of purchase for European consumers
- H4: The consumers will not be able to identify the Osklen brand as a Brazilian brand in the absence of a clear statement regarding the COO.
- H5: The country of association of the brand will likely influence in the consumer behavior, differing from the scenarios where the consumer is clearly advised from where the brand comes from.
In order to test these hypotheses, we have developed a survey divided in three parts: (1) general description of the brand, (2) questionnaire and (3) background information.

In the part 1 of the survey we present general textual information and a brief description of the brand identity in order to familiarize the customer to it. With the purpose of not limiting the customers’ perceptions of the brand we have added visual cues showing a wide range of products offered by the brand, together with its logos and also real visual marketing campaigns, giving a complete overview of the brand that is going to be evaluated.

In the part 2 of the survey we have utilized the literature review to develop a scale to evaluate the customers’ perceptions of the brand in four different aspects (quality, design and style, price and reputation) and also how likely the customer feels on purchasing products of the brand after knowing more about it. Each of one of the questions in this part of the survey (12 in total) utilize a seven-point semantic differential scale between two polar adjectives (e.g., bad-good, low quality-high quality), answers are marked on an arbitrarily weighted seven-point scale, ranging from 1 (lowest possible evaluation of the attribute) to 7 (highest possible evaluation of the attribute). This type of scale is known as Osgood’s semantic differential because it was first developed by the American psychologist Charles Osgood during the 1960s and it has been extensively used to quantify opinions, attitudes and values within the marketing research. The questions utilized in the semantic differential scale were based on the research done by Nagashima (1970) Papadopoulos (1986) and Parameswaran Pisharodi (2002) and were adapted for the context of internationalization of the Osklen Brand.

Finally, in the part 3 of the survey we collect important background information of the subjects, including gender, nationality, age range and education level.

Since the focus of our survey is to test our hypotheses related to consumers evaluating products differently based on the country of origin of the brand we have created three variations of the previous explained survey. The Survey A (appendix A) has Brazil as the country of origin of the brand, the country is informed as the origin in the textual description of the brand (part 1) and the logos feature the name “Rio de Janeiro” underneath them. The Survey B (appendix B) has the USA as the informed country of origin of the brand and the logos feature the name “California” underneath it. The USA has been chosen as the developed country of origin because it the second highest ranked non-European country in the Country
Brand Index (2014) and has much more internationally known fashion brands in comparison to the first non-European country in the ranking (Canada), which is critical in context of our research. Finally, the Survey C (appendix C) has no information regarding the country of origin of the Osklen brand and the logos feature no name underneath it. It is important to notice that all surveys are exactly the same with the exceptions mentioned above plus an extra question on Survey C asking the costumer to guess the origin of the brand based on the description presented used to test the hypotheses 3 and 4.

The general assumption in our research is that we will find statically significant differences in each research group and that a better image in the Country Brand Index (2014) will be translated into a better evaluation of the brand in the tested attributes (quality, design and style, price and reputation) and purchase intention.

### 3.3 Sampling plan

According to Malhotra (2007), the target population must be defined in the terms of its elements (object in which the information is wanted), extension (geographical limitations) and time (period used in the research). We have defined our target population as being European students attending graduate and undergraduate courses in business and international management from Università Commerciale Luigi Bocconi (Milan, Italy) and from exchange graduate and undergraduate European students attending FGV-EAESP (Sao Paulo, Brazil) in the period of October until November, 2016. Since the courses selected for both universities are taught in English, all the surveys were presented in the English languages to the subjects.

The subjects were selected based on a convenience sample, which means that the units that are selected for inclusion in the sample are the easiest to access (Convenience sampling, n.d.), this approach has the advantages of being faster and less costly to be performed, but at the expense of generalization, because the sample is unlikely to be representative of the population being researched (Hair et al, 2005). Since the scope of this work is to find evidences of the country of origin effect for a potential internationalization strategy and not to generalize the findings, we are more interested in internal validity (country of origin effect evidences over a brand) than external validity (generalization to the European population), therefore we believe that the convenience sample employed to be adequate.
We have decided to utilize a sample of university students as our sample of consumers for two main reasons: (1) previous studies have confirmed that the country of origin effect over a sample of students is no different from the general population (Liefield, 1993; Verlegh & Steenkamp, 1999; Durand, 2015), (2) the main target group for the Osklen brand are consumers aged between 18 and 35 years with above average income, very close from the data range of the subjects we find in both of the universities analyzed. Therefore, we also consider that the target group selected to be adequate for the objectives of this research.

3.4 Data Gathering

We have gathered primary data through the application of an online survey in the target population of our research. After defining our population of interest, we have randomly assigned by e-mail one of the three versions of our survey (Appendixes A, B and C), with a brief introductory note in order to ask for the collaboration of the subjects in answering the proposed questions for the investigation of our research question. In total we have received a total of 142 correctly answered questionnaires, being 47 respondents for the Survey A (Group A), 50 respondents for the Survey B (Group B) and 45 respondents for the Survey C (Group C).

Figure 11 - Groups formation from the sample

Note - From the author

In the figure 11 we have summarized how the different groups were created based on our target population responses: (1) first we have defined the target groups based on a convenience sample of European students, (2) we have created three different versions of our
research surveys, (3) we have electronically sent (e-mail) the surveys to our target group and randomly assigned one of the three versions of the survey for each of the subjects, (4) \( n = 142 \) subjects successfully completed the survey, (5) three groups were created based on the informed country of origin of the survey randomly assigned to the subjects, (6) we will analyze our proposed hypotheses based on the differences found on each group and statistically test our previously proposed hypotheses in order to accept or reject them.
4 RESEARCH RESULTS AND DISCUSSION

In this session it will be presented the main findings from the empirical research. We will start with a descriptive analysis of the background information of our respondents and then will proceed to analyze the general perception of our subjects towards the Osklen brand within each one of the five attributes evaluated in our survey (quality, design, price, reputation and purchase intention), considering the whole sample a single group at this moment. Afterwards we will focus on the differences in evaluation of the brand from the three randomly generated groups based on the surveys containing different information regarding country of origin and discuss the results and implications. Finally, we will utilize statistical techniques in order to assess the significance in the differences found between the groups and accept or reject the previously defined hypothesis.

4.1 Background information of the respondents

A total of 142 European students from Università Bocconi and FGV-EAESP took part in our survey, from which 78 (55%) were female 64 (45%) were male, being close to the expected ratio of 50% per each group within the universities total population. Regarding the education background of the respondents, since we have focused only on graduate and undergraduate courses, we have our entire sample being composed by undergraduates (61 respondents), master students (72 respondents) or PhD students (9 respondents), the relative distribution is depicted in the Graph 1 below:

Graph 1 - Education background of the respondents

Note – From the author
Regarding the age distribution of our sample, we have all of our respondents falling in the range of 18 and 35 years, being this choice a conscious selection of the respondents in order to match the main target group of the Osklen brand. In the Graph 2 we have depicted the age distribution broken down by two ranges:

**Graph 2 – Age distribution of the respondents**

![Graph 2](image)

**Note** – From the author

It is important to notice that we had a bigger proportion of respondents between 25-35 years old (89 respondents) compared to 18-24 years (53 respondents) because we had more successfully completed surveys from the master courses, where the students, obviously, tend to be older then undergraduate students.

Lastly, to complete the description of our sample, we have on the Graph 3 the distribution of all nationalities of the 142 respondents of our surveys:

**Graph 3 - Nationality distribution of the respondents**

![Graph 3](image)

**Note** - From the author
In total we have had 23 different European nationalities within our sample, with the vast majority (73%) coming from six countries – Italy, Spain, France, Bulgaria, Germany and the Netherlands – making those countries the ones that contributed the in our research. This distribution is by no means based on distribution of the population in Europe, but rather based in the distribution of the population of students in the universities surveyed, limiting the power of generalization of the sample, but nonetheless giving powerful insights regarding the preferences of European towards the focus brand of this research.

4.2 Survey results

In order to better analyze the results of the applied surveys, we have summarized all the most relevant information in the Table 4 below:

Table 4

<table>
<thead>
<tr>
<th>Survey Questions</th>
<th>Group A</th>
<th>Group B</th>
<th>Group C</th>
<th>Complete Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What was your first reaction towards the brand?</td>
<td>4.45</td>
<td>5.40</td>
<td>5.31</td>
<td>5.06</td>
</tr>
<tr>
<td>2. How would you rate the quality of the products of the brand?</td>
<td>4.06</td>
<td>5.54</td>
<td>5.36</td>
<td>4.99</td>
</tr>
<tr>
<td>3. How would you rate the workmanship applied to the brand's products?</td>
<td>4.04</td>
<td>5.38</td>
<td>5.40</td>
<td>4.94</td>
</tr>
<tr>
<td>4. How would you rate the design of the products presented?</td>
<td>4.32</td>
<td>5.24</td>
<td>5.18</td>
<td>4.92</td>
</tr>
<tr>
<td>5. How would you rate the fashionability of the brand?</td>
<td>4.64</td>
<td>6.08</td>
<td>5.36</td>
<td>5.37</td>
</tr>
<tr>
<td>6. What do you think about the products of the brand?</td>
<td>4.15</td>
<td>4.90</td>
<td>5.18</td>
<td>4.74</td>
</tr>
<tr>
<td>7. I believe the company products are:</td>
<td>3.38</td>
<td>2.96</td>
<td>3.27</td>
<td>3.20</td>
</tr>
<tr>
<td>8. I believe the company products are:</td>
<td>3.96</td>
<td>3.94</td>
<td>4.09</td>
<td>3.99</td>
</tr>
<tr>
<td>9. How would you rate the prestige of the brand's products?</td>
<td>4.60</td>
<td>5.58</td>
<td>5.51</td>
<td>5.23</td>
</tr>
<tr>
<td>10. If you have to guess, what would you think about the company reputation in its home country?</td>
<td>5.32</td>
<td>6.22</td>
<td>6.00</td>
<td>5.85</td>
</tr>
<tr>
<td>11. After knowing more about the brand, I became more interested in it?</td>
<td>4.19</td>
<td>5.06</td>
<td>5.36</td>
<td>4.87</td>
</tr>
<tr>
<td>12. If the brand was available today in your country, how likely would you be to buy one of its products?</td>
<td>4.11</td>
<td>5.10</td>
<td>4.98</td>
<td>4.73</td>
</tr>
<tr>
<td>Subjects (N)</td>
<td>47</td>
<td>50</td>
<td>45</td>
<td>142</td>
</tr>
</tbody>
</table>

Note – the results depicted in the table refer to the average score that the subjects marked within each different group on each question, summarizing the information we got from the survey. The maximum value for a response is 7 (best evaluation possible) and the minimum is 1 (worse evaluation possible). From the author.

In the table 4 we have depicted all the averages scores from the 12 semantic differentials questions utilized (see appendix A, B and C) in order to assess the differences in perceptions towards the Osklen brand for each of our survey groups (Groups A, B and C). In addition, we have the total average for the 3 groups combined into a single group (Complete Sample) to serve as a baseline for the comparisons regarding the differences in perception of the subjects depending on the group that they come from. Each one of the questions depicted evaluates one of the dimensions of the Osklen brand according to the subjects’ perceptions within each one of the sample groups. The questions 1 until 3 evaluate the quality dimension, the
questions 4 until 6 evaluate the design dimension, the questions 7 and 8 evaluate the price dimension and the questions 9 and 10 evaluate the reputation dimension. The questions 11 and 12 measure the purchase intention of the consumers after learning more about the brand.

Since the Table 4 summarizes a lot of information, it is difficult to draw conclusions just by analyzing the data in its tabular form, therefore we have built the Graph 4 bellow to help us to better visualize the data and draw conclusions from the data we have obtained through the surveys.

**Graph 4 – Survey results per group**

![Graph 4](image)

Note – From the author

In the Graph 4 we are able to see that overall the Osklen brand tended to be positively evaluated by the consumers among all groups, with most of the questions evaluating the product dimensions or purchase dimensions having averages above 4 (out of 7 maximum points) per question, the exception was regarding the price dimension questions, with averages well below 4. Regarding the three groups different groups within our sample it is very interesting to notice that the Group B – USA and the Group C – No COO clearly tended to have more favorable evaluations when compared to the Group A – Brazil, with the Sample Average serving as a baseline separating the Group A from the Groups B and C.
In order to have a complete picture of the results from our survey we will continue to deep dive into the data. We have aggregated the twelve questions results into 5 dimensions (4 for the brand and 1 regarding purchase intention), giving each question within a dimension equal weights. For example, if a customer has given the scores of 4, 5 and 6 for the questions Q1, Q2 and Q3 (quality dimension questions), his quality dimensions’ score would be 5 (\(\frac{4+5+6}{3}\)). Aggregating the results for all the customers and calculating the average per group we would have the result for each dimension. The complete results of this analysis are depicted in the Table 5 below:

### Table 5

**Summary of the results with the data aggregated by the brand dimensions surveyed**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Group A - Brazil</th>
<th>Group B - USA</th>
<th>Group C - No COO</th>
<th>Sample Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Dimension</td>
<td>4,37</td>
<td>5,41</td>
<td>5,24</td>
<td>5,01</td>
</tr>
<tr>
<td>Price Dimension</td>
<td>3,67</td>
<td>3,45</td>
<td>3,68</td>
<td>3,60</td>
</tr>
<tr>
<td>Reputation Dimension</td>
<td>4,96</td>
<td>5,90</td>
<td>5,76</td>
<td>5,54</td>
</tr>
<tr>
<td>Quality Dimension</td>
<td>4,18</td>
<td>5,44</td>
<td>5,36</td>
<td>5,00</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>4,15</td>
<td>5,08</td>
<td>5,17</td>
<td>4,80</td>
</tr>
</tbody>
</table>

**Note** - the results depicted in the table refer to the average score that the subjects marked within each different group on each dimension of the survey, summarizing the information we got from the survey. The maximum value for a response is 7 (best evaluation possible) and the minimum is 1 (worse evaluation possible). From the author.

Also in this case, with the data aggregated into dimensions it is better for visualization and understanding of the results if we plot the data into a graph.

### Graph 5 - Survey results per group and dimension

![Graph 5](image)

**Note – From the author**
The Graph 5 shows us the clearly distinction in the scores that each survey group have received on each dimensions of evaluation of our brand plus the final purchase intention score. We can see clearly that in the quality dimension, design dimension and reputation dimension the Groups B and C tended to have higher scores than the Group A. For the quality dimension the Group A had a score of 4,18 against 5,44 in Group B and 5,36 in Group C. For the Design dimension the Group A had a score of 4,37 against 5,41 in Group B and 5,24 in Group C. For the reputation dimension Group A had a score of 4,96 against 5,90 in Group B and 5,76 in Group C. For the purchase intention Group A had a score of 4,15 against 5,08 in Group B and 5,17 in Group C. For the price dimension the scores were very similar with the Group A having a score of 3,67, the Group B 3,45 and the Group C having 3,68. The green dashed line present in the graph depicts the sample average if all the three groups were combined into a single one.

Another way to visualize the clear distinction between the three groups is through a radar graph depicting the 4 dimensions of the Osklen brand plus the purchase intention as seem in the Graph 6 below:

Graph 6 - Group dimensions comparisons

Note – From the author

We see clearly on the Graph 6 that the averages for the Groups B and C are concentrated in the score of 5 in most dimensions and purchase intention, while the averages for the Group A is concentrated around the value of 4, further indicating a difference between them.
The results depicted in the Graphs 5 and 6 show us that, apparently, that the Osklen brand had a more favorable perception in 3 out of 4 dimensions by the subjects present in the groups B and C and this has led to a higher purchase intention if compared to the results in Group A. These results seemed to be consistent with our previously proposed hypotheses, but a statistical test is necessary to be performed in order to assess if the results are significant or just result of random chance, these tests will be performed in the next session.

4.3 Hypotheses testing

The hypotheses developed in our research were the following:

• H1: European consumers will have a general evaluation more positive for a brand coming from a developed country (USA) compared to a developing country (Brazil)
• H2: European consumers will be willing to pay a premium price for a brand that comes from a developed country (USA) compared to a developing country (Brazil)
• H3: Brazil as the COO for the Osklen brand will most likely have a negative influence in the potential intention of purchase for European consumers
• H4: The consumers will not be able to identify the Osklen brand as a Brazilian brand in the absence of a clear statement regarding the COO.
• H5: The country of association of the brand will likely influence in the consumer behavior, differing from the scenarios where the consumer is clearly advised from where the brand comes from.

In order to test H1, H2 and H3 we will need to assess if we have statistically significant differences between the results in Group A and Group B, meaning that we want to test if the average scores we observed in each of the five attributes of the brand (quality, design, price, reputation and purchase intention) have significantly different results from each other. To achieve that, we will perform a t-test. The t-test is adequate for the purpose of these two groups because they are independent (separate sample containing different sets of individual subjects) and they were randomly selected from the population studied. In addition, since we have a large enough sample we will assume a normal distribution in order to be able to perform the t-tests. Below we have our summarized the t-test table with the dimensions compared between the Groups A and B.
Note - test performed on each dimension studied in our survey. We have used an alpha of .050 to be able to reject the null hypothesis (that there are no significant differences between the groups scores means). From the author.

In the Table 6 we can see that we had significant differences in the scores for Quality Dimension between the Group A - Brazil (M = 4,18; SD = 0,69) and Group B – USA (M = 5,44; SD = 0,61); t(95) = -9,56, p = .000. The same can be said for the Design Dimension between the Group A - Brazil (M = 4,37; SD = 0,80) and Group B – USA (M = 5,41; SD = 0,62); t(95) = -7,15, p = .000 and Reputation Dimension score for Group A - Brazil (M = 4,37; SD = 0,80) and Group B – USA (M = 5,41; SD = 0,62); t(95) = -7,15, p = .000. These results tell us that the overall more favorable evaluation of the Osklen brand by the consumers on the Group B – USA - represented by the quality, design and reputations dimensions - are statistically significant (with 95% of confidence) and therefore we have support to accept H1: European consumers will have a general evaluation more positive for a brand coming from a developed country (USA) compared to a developing country (Brazil).

Continuing the analysis of the Table 6 we can observe that we had no significant differences in the scores for the Price Dimension between the Group A - Brazil (M = 3,67; SD = 1,07) and Group B – USA (M = 3,45; SD = 0,95); t(95) = 1,07, p = .288. This result does not support the claim that there are statistically significant between the two groups regarding the Price Dimension from our survey, therefore we must reject H2: European consumers will be willing to pay a premium price for a brand that comes from a developed country (USA) compared to a developing country (Brazil).

Lastly, still in Table 6, we are able to see that there were significant differences for the Purchase Intention between the Group A - Brazil (M = 4,15; SD = 1,56) and Group B – USA (M = 5,08; SD = 1,22); t(95) = -3,25, p = .002. These results support the idea that with a higher overall evaluation of the brand, the resulting purchase intention also tended to be
higher, therefore we can conclude that consumers in the Group B – USA were more willing to buy the Osklen brand compared to the Group A – Brazil. This support our hypothesis H3: Brazil as the COO for the Osklen brand will most likely have a negative influence in the potential intention of purchase for European consumers, hence we are able to accept it.

In order to test the last two hypotheses from our research (H4 and H5) we need to analyze the results from the extra question contained only in the third version of our survey, where we haven’t informed the country the origin of the brand to the subjects (Appendix – C). This last question has asked the subjects in the group C of our survey to associate the Osklen brand to a country, the Graph 7 bellow summarize the results:

**Graph 7 - Country of association of the Osklen brand (Group C)**

![Graph 7](image)

**Note** – From the author

The Graph 7 shows us which country each one of the 45 subjects from the Group C of our survey have associated the brand with. It is interesting to notice that the majority of the respondents have associated the brand with a developed country when they weren’t specifically informed about the brand’s origins. Furthermore, only 2 out of 45 respondents identified the brand with the correct country of origin. Based on these results we are able to confirm H4: The consumers will not be able to identify the Osklen brand as a Brazilian brand in the absence of a clear statement regarding the COO.

Finally, since the majority of the respondents have associated the brand with a developed country when they were not informed about its origins, we would expect that the average
scores from the dimensions of our survey to be influenced by this perception. In the table below we compare the differences between the results in Group A – Brazil and Group C – No Country.

**Table 7**

Comparisson of the attributes tested in the survey and t-test for equality of means for Groups A and C

<table>
<thead>
<tr>
<th></th>
<th>Group A - Brazil (N = 47)</th>
<th>Group C - No Country (N = 45)</th>
<th>t-test for equality of means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean SD</td>
<td>Mean SD</td>
<td>df</td>
</tr>
<tr>
<td>Quality Dimension Score</td>
<td>4,18 0,69</td>
<td>5,36 0,60</td>
<td>90</td>
</tr>
<tr>
<td>Design Dimension Score</td>
<td>4,37 0,80</td>
<td>5,24 0,73</td>
<td>90</td>
</tr>
<tr>
<td>Reputation Dimension Score</td>
<td>4,96 0,95</td>
<td>5,76 0,91</td>
<td>90</td>
</tr>
<tr>
<td>Price Dimension Score</td>
<td>3,67 1,07</td>
<td>3,68 1,19</td>
<td>90</td>
</tr>
<tr>
<td>Purchase Intention Score</td>
<td>4,15 1,56</td>
<td>5,17 0,99</td>
<td>90</td>
</tr>
</tbody>
</table>

Note - test performed on each dimension studied in our survey. We have used an alpha of ,050 to be able to reject the null hypothesis (that there are no significant differences between the groups scores means). From the author.

In the table 7 above we have very similar results as in table 6 previously presented. We have found statistically significant differences between the average scores in 4 out of the 5 dimensions we have surveyed, with the Group C tending to have a higher average scores when compared to the Group A in all dimensions (with the difference in the score of the Price Dimension being statistically irrelevant), demonstrating that the country of association had influence on the consumers’ perceptions towards the brand studied. Therefore, based on the results of the table 7 we can accept H5: The country of association of the brand will likely influence in the consumer behavior, differing from the scenarios where the consumer is clearly advised from where the brand comes from.

We conclude this session with the summary of the hypotheses tested and the decision to accept or reject it based on the previously reported results of our research and the statistical tests performed.
From the hypothesis developed we were able to accept 4 out of 5 and in the following chapter we will have a discussion regarding the implications of the results of this research for the brand case studied.

**Table 8**  
*Summary of the hypotheses tested and the decision based on the results of the research*

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: European consumers will have a general evaluation more positive for a brand coming from a developed country (USA) compared to a developing country (Brazil)</td>
<td>Accept</td>
</tr>
<tr>
<td>H2: European consumers will be willing to pay a premium price for a brand that comes from a developed country (USA) compared to a developing country (Brazil)</td>
<td>Reject</td>
</tr>
<tr>
<td>H3: Brazil as the COO for the Osklen brand will most likely have a negative influence in the potential intention of purchase for European consumers</td>
<td>Accept</td>
</tr>
<tr>
<td>H4: The consumers will not be able to identify the Osklen brand as a Brazilian brand in the absence of a clear statement regarding the COO.</td>
<td>Accept</td>
</tr>
<tr>
<td>H5: The country of association of the brand will likely influence in the consumer behavior, differing from the scenarios where the consumer is clearly advised from where the brand comes from.</td>
<td>Accept</td>
</tr>
</tbody>
</table>

*Note – from the author.*
5 CONCLUSION

This study aimed to better understand the European consumers’ behavior towards a foreign unfamiliar brand from a developing country based on the real case study of the Osklen brand that after continuous success in Brazil got acquired by a Brazilian MNE, which intends to transform the local brand into a global success. We have utilized the framework provided by one of the most studied concepts in International Marketing, the Country of Origin Effect. Based on previous research and the knowledge of the studied brand we were able to develop 5 hypotheses and utilizing three different questionnaires specifically tailored for this case study, it was possible to get empirical primary data in order to test the hypotheses.

Based in the empirical part of this study, we were able to confirm that the country of origin has a statistically significant effect over the European consumers’ surveyed. The research has shown that consumers have consistently rated the brand more positively in the scenarios where they were informed - or believed – that the brand came from a developed country, furthermore, this more favorable classification has led also to a higher intention of purchase by these consumers. These results are extremely relevant for the Brazilian brand because although it was generally positively evaluated in our survey, the country of origin have proven to be a potential blocker for the brand expansion into the European market. As predicted by the literature and supported by this field research, European consumers tend to prefer products from other developed countries, demonstrating that regardless of the product, the country of origin of the brand still plays a key role in their decision, especially if this brand is from a developing country with weak image such as Brazil (image that can be even further damaged by recent scandals of corruption and political instability). In other words, the Osklen brand must find ways to overcome the potential negative effect the its Brazilian origin has over it.

Another important conclusion of our research is that consumers (at least the ones present in our sample) are very bad at categorizing brands to the correct country of origin and this brings interesting strategical implications for the studied brand. First, due to the high perceived quality of the Osklen brand, European consumer’s might have tended to associate it with the image of other European countries with a much stronger image when compared to Brazil (Sweden and Denmark, in this sample) and second this wrong association might have led the costumers to rate the brand more positively, further research should be conducted in order to confirm this suggestion. Therefore, the Osklen brand could potentially exploit this inability of
categorization of the customers by consciously hiding its Brazilian origins when it starts its expansion into the European market. Even though the brand is very proud of its Brazilian origins and that Brazil is constantly praised by its marketing efforts and products, based in our results, it would be very beneficial for the brand to invest in a more international image when expanding to developed markets, actively “hiding” the Brazilian origin and benefiting from the misclassification of the products by the potential new customers that will probably lead to better perceived quality and higher intention of purchase. Therefore, we strongly recommend this strategy for the company internationalization efforts.

Finally, our study has failed to find a connection between willingness to pay a premium price for a brand coming from a developed country in comparison from one coming from a developing country, being this hypothesis the only one out of five that wasn’t confirmed by our field study and that was consequently rejected. We believe that this result can be explained by either a limitation of our online survey that was not able to capture correctly the willingness to pay of the consumers’ on our sample – we have converted the averages prices used in Brazil into Euros, which not necessarily would be the pricing strategy utilized by the company in the European market – or more likely, that consumers are more rational regarding economical decisions, being more pragmatic towards decision that involve money expenditures, resulting in the annulation of the country of origin effect over the willingness to pay by consumers. This question could be better explored into future research.

Overall, our research has proven that the country of origin effect has important implications towards the strategies of internationalization for brands coming from developing countries that want to expand to developed markets utilizing the potential internationalization strategy of the Osklen brand as a real case study. In addition, we believe that the framework utilized in this research can be replicated and applied to other future researches, with special attention to the survey models utilized in this thesis. Further study is necessary to find out if the results in our research are likely to happen to other Brazilian brands that wish to internationalize.

Although we have obtained very interesting results with our field research, it is also important to point out two important shortcomings of the methods utilized. First, we have used reverse inference to test the country of origin effect, meaning that we have not directly tested the effect, but rather manipulated a variable that we believe influenced the costumers reported scores from our survey. Second, we have utilized a convenience sample, therefore the results
have limited power of generalization for the population in general, but give strong indications for future more broad researches that wishes to investigate this effect on Brazilian brands.
6 REFERENCES


*XXII Encontro Anual Da ANPAD.*


APPENDIX A – QUESTIONNAIRE BRAZIL

International Marketing Research - Osklen Brazil

This research refers to Osklen, a Brazilian fashion brand headquartered in Rio de Janeiro, very well known in the country by bringing an innovative concept of “sustainable luxury”, the brand is now interested in expanding to the European market.

Brief Description of the Brand

Osklen is a brand that represents the lifestyle of the contemporary man and women, in a world where urban and nature, the global and the local, the organic and the technological, the order and chaos all coexist simultaneously. The brand is a reflection of the vision of its creator and designer Oskar Metsavaht: fashion, art, culture, design and environment are part of the brand’s inspiration, which makes it more than just brand, but a communication vehicle of a lifestyle.

The basic premises of the creator and designer of the brand are a differentiated product design coupled with high-quality raw materials used, taking into account their origin and the entire social and environmental chain behind the production.

The brand is inspired by the dynamism of the metropolis and the exuberance of Brazilian nature, giving life to a style based on the harmonization of contrasts, combining sophistication and dispossession, similarly as the Brazilian culture.

Below we have a brief presentation of the brand, including the logo, the main products and the aesthetics from which Osklen communicates its lifestyle to consumers. Please take a look at it carefully.

The logos

![Osklen Logo](image1)

![Logo Variation](image2)
The logos

Osklen

Rio de Janeiro

Product Mix - Male

Product Mix - Female

The brand meets both male and female audiences with a well-diversified product mix which include clothing, shoes and accessories.
Brand Aesthetics

The brand visual communication focus on the mix between sophistication and casual wear, nature and urban, male and female.

Now based on your perceptions regarding the brand, please answer the questions on the next session.
International Marketing Research - Osklen Brazil

*Obrigatório

**Questionnaire**

Please answer all the questions from this session

Example on how to read the scale presented

![Scale](image)

**Part 1 - Quality (Osklen Brazil)**

1. What was your first reaction towards the brand? *

   ![Scale](image)

2. How would you rate the quality of the products of the brand? *

   ![Scale](image)

3. How would you rate the workmanship applied to the brand's products? *

   ![Scale](image)

**Part 2 - Design and Style (Osklen Brazil)**

4. How would you rate the design of the products presented? *

   ![Scale](image)

5. How would you rate the fashionability of the brand? *

   ![Scale](image)

6. What do you think about the products of the brand? *

   ![Scale](image)
Part 3 - Price (Osklen Brazil)

The average selling price for male products is equivalent to €30 and for female products is about €100

7. I believe the company products are: *

   1  2  3  4  5  6  7
   Expensive  ○  ○  ○  ○  ○  ○  Inexpensive

8. I believe the company products are: *

   1  2  3  4  5  6  7
   Unreasonably priced  ○  ○  ○  ○  ○  ○  Reasonably priced

Part 4 - Reputation (Osklen Brazil)

Based on what you learned so far about the brand answer the following questions:

9. How would you rate the prestige of the brand’s products? *

   1  2  3  4  5  6  7
   Low prestige products  ○  ○  ○  ○  ○  ○  High prestige products

10. If you have to guess, what would you think about the company reputation in its home country? *

    1  2  3  4  5  6  7
    Bad overall reputation  ○  ○  ○  ○  ○  ○  Good overall reputation

Part 5 - Purchase Intention (Osklen Brazil)

11. After knowing more about the brand, I became more interested in it: *

    1  2  3  4  5  6  7
    Not at all  ○  ○  ○  ○  ○  ○  Very Interested

12. If the brand was available today in your country, how likely would you be to buy one of its products? *

    1  2  3  4  5  6  7
    Not at all likely  ○  ○  ○  ○  ○  ○  Very likely
Background Information

Please complete this session with information regarding yourself

Gender *

Choque

Your nationality *

Sua resposta

Your age range *

- Below 18
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 55
- Above 55

What is the highest level of school you have completed or the highest degree you have received? *

- Less than high school degree
- High school degree or equivalent
- Technical School
- Bachelor's Degree
- Master's Degree
- PhD or higher
International Marketing Research - Osklen USA

This research refers to Osklen, an American fashion brand headquartered in California, very well known in the country by bringing an innovative concept of "sustainable luxury", the brand is now interested in expanding to the European market.

Brief Description of the Brand

Osklen is a brand that represents the lifestyle of the contemporary man and woman, in a world where urban and nature, the global and the local, the organic and the technological, the order and chaos coexist simultaneously. The brand is a reflection of the vision of its creator and designer Oskar Metsavaht: fashion, art, culture, design and environment are part of the brand's inspiration, which makes it more than just brand, but a communication vehicle of a lifestyle.

The basic premises of the creator and designer of the brand are a differentiated product design coupled with high-quality raw materials used, taking into account their origin and the entire social and environmental chain behind the production.

The brand is inspired by the dynamism of the metropolis and the exuberance of nature, giving life to a style based on the harmonization of contrasts, combining sophistication and dispassion.

Below we have a brief presentation of the brand, including the logo, the main products and the aesthetics from which Osklen communicates its lifestyle to consumers. Please take a look at it carefully.

The logos

[Image of Osklen logos]
The logos

Product Mix - Male

Product Mix - Female

The brand meets both male and female audiences with a well-diversified product mix which includes clothing, shoes and accessories.
Brand Aesthetics

The brand visual communication focus on the mix between sophistication and casual wear, nature and urban, male and female.

Now based on your perceptions regarding the brand, please answer the questions on the next session.
International Marketing Research - Osklen USA

Questionnaire

Please answer all the questions from this session.

Example on how to read the scale presented:

Part 1 - Quality (Osklen USA)

1. What was your first reaction towards the brand? *
   
   Negative ○ ○ ○ ○ ○ ○ ○ ○ ○ Positive

2. How would you rate the quality of the products of the brand? *

   Low quality ○ ○ ○ ○ ○ ○ ○ ○ ○ High quality

3. How would you rate the workmanship applied to the brand’s products? *

   Slippy workmanship ○ ○ ○ ○ ○ ○ ○ ○ ○ Careful workmanship

Part 2 - Design and Style (Osklen USA)

4. How would you rate the design of the products presented? *

   Nothing Special ○ ○ ○ ○ ○ ○ ○ Distinguishable design

5. How would you rate the fashionability of the brand? *

   Unfashionable products ○ ○ ○ ○ ○ ○ ○ ○ ○ Fashionable products

6. What do you think about the products of the brand? *

   Common products ○ ○ ○ ○ ○ ○ ○ ○ ○ Luxury products
Part 3 - Price (Osklen USA)

The average selling price for male products is equivalent to £80 and for female products is about £100.

7. I believe the company products are: *
   1 2 3 4 5 6 7
   Expensive ○ ○ ○ ○ ○ ○ ○ Inexpensive

8. I believe the company products are: *
   1 2 3 4 5 6 7
   Unreasonably priced ○ ○ ○ ○ ○ ○ ○ Reasonably priced

Part 4 - Reputation (Osklen USA)

Based on what you learned so far about the brand answer the following questions:

9. How would you rate the prestige of the brand’s products? *
   1 2 3 4 5 6 7
   Low prestige products ○ ○ ○ ○ ○ ○ ○ High prestige products

10. If you have to guess, what would you think about the company reputation in its home country? *
    1 2 3 4 5 6 7
    Bad overall reputation ○ ○ ○ ○ ○ ○ ○ Good overall reputation

Part 5 - Purchase Intention (Osklen USA)

11. After knowing more about the brand, I became more interested in it: *
    1 2 3 4 5 6 7
    Not at all ○ ○ ○ ○ ○ ○ ○ Very interested

12. If the brand was available today in your country, how likely would you be to buy one of its products? *
    1 2 3 4 5 6 7
    Not at all likely ○ ○ ○ ○ ○ ○ ○ Very likely
International Marketing Research - Osklen USA

*Obrigatório

**Background Information**

Please complete this session with information regarding yourself.

**Gender** *

- [ ] Male
- [ ] Female

**Your nationality** *

- [ ] Spain
- [ ] Portugal
- [ ] Another...

**Your age range** *

- [ ] Below 18
- [ ] 18 - 24
- [ ] 25 - 34
- [ ] 35 - 44
- [ ] 45 - 55
- [ ] Above 55

**What is the highest level of school you have completed or the highest degree you have received?** *

- [ ] Less than high school degree
- [ ] High school degree or equivalent
- [ ] Technical School
- [ ] Bachelor’s Degree
- [ ] Master’s Degree
- [ ] PhD or higher
International Marketing Research - Osklen

This research refers to Osklen, a luxury fashion brand, known by bringing an innovative concept of "sustainable luxury", the brand is now interested in expanding into the European market.

Brief Description of the Brand

Osklen is a brand that represents the lifestyle of the contemporary man and women, in a world where urban and nature, the global and the local, the organic and the technological, the order and chaos coexist simultaneously. The brand is a reflection of the vision of its creator and designer: Oskar Metsavaht. Fashion, art, culture, design and environment are part of the brand’s inspiration, which makes it more than just brand, but a communication vehicle of a lifestyle.

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The brand is inspired by the dynamism of the metropolis and the exuberance of nature, giving life to a style based on the harmonization of contrasts, combining sophistication and dispossession.

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The logos
The logos

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Product Mix - Female

The brand meets both male and female audiences with a well-diversified product mix which include clothing, shoes and accessories.
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**Brand Aesthetics**

The brand visual communication focus on the mix between sophistication and casual wear, nature and urban, male and female.

Now based on your perceptions regarding the brand, please answer the questions on the next session:
International Marketing Research - Osklen

*Obrigatório

**Questionnaire**

Please answer all the questions from this session

Example on how to read the scale presented

![Scale Diagram]

**Part 1 - Quality (Osklen)**

1. What was your first reaction towards the brand? *

   ![Scale Diagram]

   1. Negative  2. 3. 4. 5. 6. 7. Positive

2. How would you rate the quality of the products of the brand? *

   ![Scale Diagram]

   1. Low quality  2. 3. 4. 5. 5. 7. High quality

3. How would you rate the workmanship applied to the brand's products? *

   ![Scale Diagram]

   1. Sloppy workmanship  2. 3. 4. 5. 6. 7. Careful workmanship

**Part 2 - Design and Style (Osklen)**

4. How would you rate the design of the products presented? *

   ![Scale Diagram]

   1. Nothing special  2. 3. 4. 5. 6. 7. Distinguishable design

5. How would you rate the fashionability of the brand? *

   ![Scale Diagram]

   1. Unfashionable products  2. 3. 4. 5. 6. 7. Fashionable products

6. What do you think about the products of the brand? *

   ![Scale Diagram]

   1. Common products  2. 3. 4. 5. 6. 7. Luxury products
Part 3 - Price (Osklen)

The average selling price for male products is equivalent to £80 and for female products is about €100.

7. I believe the company products are: *
   - Expensive
   - Inexpensive

8. I believe the company products are: *
   - Unreasonably priced
   - Reasonably priced

Part 4 - Reputation (Osklen)

Based on what you learned so far about the brand answer the following questions:

9. How would you rate the prestige of the brand’s products? *
   - Low prestige products
   - High prestige products

10. If you have to guess, what would you think about the company reputation in its home country? *
    - Bad overall reputation
    - Good overall reputation

Part 5 - Purchase Intention (Osklen)

11. After knowing more about the brand, I became more interested in it: *
    - Not at all
    - Very interested

12. If the brand was available today in your country, how likely would you be to buy one of its products? *
    - Not at all likely
    - Very likely

13. If you have to guess, from which country would you associate this brand? *
    - Sua resposta
Background Information

Please complete this session with information regarding yourself.

Gender *

Your nationality *

Your age range *

- Below 18
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 55
- Above 55

What is the highest level of school you have completed or the highest degree you have received? *

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- Technical School
- Bachelor’s Degree
- Master’s Degree
- PhD or higher