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„Replacing Country-of-Origin Designation with Regional Designation – Does it Affect Willingness to Pay?“

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FOR MY GRANDPARENTS

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GLOSSARY

ANOVA	Analysis of Variance
ANCOVA	Analysis of Covariance
AOC	Appellation d'Origine Contrôlée
BDM	Becker, DeGroot and Marshak Procedure
CET	Consumer Ethnocentrism
cf.	Compare (Latin: confer)
CI	Country Image
COA	Country of Assembly
COB	Country of Brand
COD	Country of Design
COM	Country of Manufacture
COO	Country of Origin
COP/COC	Country of Parts/Components
CP	Consumer Preference
CVM	Contingent Valuation Method
DO	Denominación de Origen
e.g.	For example, for instance (Latin: <i>exempli gratia</i>)
ECJ	European Court of Justice
EEC	European Economic Community
EESC	European Economic and Social Committee
Ed.	Editor
Eds.	Editors
EID	European Identity
EP	European Parliament
et al.	And others (Latin: <i>et alii</i>)
EU	European Union
i.e.	That is to say, in other words (Latin: <i>id est</i>)
IMF	International Monetary Fund
MEP	Member of the European Parliament
NID	National Identification
OM	Origin Markings

PC	Price Consciousness
PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
PI	Product and Purchase Involvement
SD	Standard Deviation
TSG	Traditional Speciality Guaranteed
TÜV	Technical Inspection Association (Technischer Überwachungs-Verein)
UWG	Law against Unfair Competition (Unlauterer-Wettbewerbs-Gesetz)
WKO	Austrian Economic Chambers (Wirtschaftskammer Österreich)
WTP	Willingness to Pay

1. INTRODUCTION

The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.

The Treaty on European Union, Article 2

When we ask about Europe and the European Union, when we think about a European identity, we are not only thinking about a common geographical image – a landmass that forms our continent – but also about the identification as a people. The definition of a European identity is no more a question of mere differentiation to other super-powers like the US or China, but rather one of internal cohesion. With over 16 trillion US\$ the European Union has become the single largest common market in the world (IMF, 2011); when adjusted in terms of purchasing power parity it creates 20% of all world trade (over 15 trillion US\$) and is home to a population of over 500 million (EUROSTAT, 2009). The question which arises is rather to what extent can we discover that “*internal cultural similarity and external cultural distinction, form the basis for European unity and produce a coherent and consistent European behavior from one context to the next*” (Calhoun, 2001, p.35), without losing focus on the gigantic economic potential. Due to increasing internationalization it becomes more important to know how consumers react to the notion of a supra-national concept like ‘Europe’ and to discover the perception of labels associated with large geographical units like the EU.

1.1 Research Intention

The purpose of this thesis is to establish ties between the field of country-of-origin (COO) research and labeling practices in the European Union. The research specifically aims to examine differences in consumer willingness to pay for products with certain origin markings (hereafter OM), e.g. ‘Made in Belgium’, and ‘Made in Poland’ as opposed to *Regional Designation*. Specifically this research focuses on examining

consumers' evaluations of products labeled 'Made in the EU' as a *Regional Designation*, what meaning consumers attach to this label and what factors influence consumers' buying decisions. In an effort to focus on the consumers' manifested construction of Europe this paper addresses the emotional and symbolic connotations related to a product's origin by examining the country-related, consumer-related and product-related factors of influence.

In detail this thesis clarifies the question of how people interpret the semiotic cue, when confronted with products labeled 'Made in the EU'. The connotation associated with this particular label can turn up to be favorable, when associated to the economic, industrial and technological superiority of European brands. To such a degree it would function as an information "*cue that would make 'European' salient, with specific attribution to quality features*" (Stöttinger & Penz, 2011, p. 76). The label could also be seen as a differentiator to products from outside of the European Union. In contrast such a label might as well reflect negative feelings and be seen as a way to conceal the true origin of a product.

Bruter (2004, p. 201) found two distinct components of *European Identity* (EID) a civic component "that makes people identify with the European Union as a significant 'superstate' identity" and a cultural component. Further investigation showed that respondents with high levels of *National Identification* (NID) also highly identified with Europe. His findings contradicted traditional Euro-skeptic arguments. Therefore the query persists to be answered of how a European label would resonate with these normative constructs as well as *Consumer Ethnocentrism* (CET), patriotic feelings towards a home culture and how it reflects consumers' behavioral intentions.

In conclusion this thesis bridges a gap between country of origin research and European social studies in a marketing perspective. Based on the insights stated by Koschate-Fischer, Diamantopoulos and Oldenkotte (2012, p. 19), that: "*a product's COO acts as a signal of product quality, influences consumers' perceptions of risk and value, and directly affects the likelihood of purchase*", the question remains if the same is true for common European label. While the influence of a products COO on the purchasing process has generally been accepted, 'Made in the EU' labels have been widely disputed. Verlegh and Steenkamp (1999, p. 538) argued in their meta-analysis that the "*country-of-origin effect can be classified as a substantial factor in product evaluations*". This has been shown in over 1000 articles and is therefore one of the most researched aspects of international marketing research (see Usunier, 2006).

Stöttinger and Penz (2011, p.77) pointed out that while there is “*strong preference for local and/or European brands, this fact needs to sustain in a reality check of actual purchase behaviour.*” This thesis puts a price tag on EID in combining COO research with reliable measurements of willingness to pay (WTP). The price an individual is willing to pay in a real buying situation is far more accurate than values received in a hypothetical contingent valuation setting (CVM). Although the complexity and costs for such an experimental design are much higher, the accuracy of the results ameliorates greatly (Skiera & Revenstorff, 1999; Wertenbroch & Skiera, 2002). To measure COO effects, price as a dependent variable is a much stricter indicator, than for example product evaluations or purchase intentions. It allows for a ‘monetization’ of the COO effect and is the most powerful element of the marketing mix. “*Price is the only marketing strategy variable that directly generates income.*” (Monroe, 2003, p. 8) and disproportionately increases profit (Marn & Rosiello, 1992). Yet price related experiments investigating the COO effect have been scarce. Agrawal and Kamakura (1999, p. 257) stated that: “*very little is known regarding the influence of COO on pricing decisions*”.

Using the Becker, DeGroot, and Marschak’s (1964) procedure (hereafter BDM), this research measures respondents’ *true* willingness to pay at the point-of-purchase. In the experimental research design products ‘Made in Belgium’, ‘Made in Poland’ and ‘Made in the EU’ are examined to provide further counsel to the ongoing discussion about European Union origin markings and shed light on how consumers construe *Regional Designation*.

1.2 Research Gap

The main theoretical contribution of this research is twofold. First, it applies and extends the price-related consequences of COO in a realistic point-of-purchase setting. In accordance with Zeugner-Roth & Diamantopoulos (2010) and in a contradiction to Samiee (2010) who argued that the absence of mandatory COO labeling is an indication of the irrelevance of COO research, specifically mentioning ‘Made in the EU’, the research at hand sheds new light on this topic. Whereas Kraxner (2010) looked at this issue from a hypothetical perspective, the present thesis answers these questions using an incentive compatible measurement instrument. This comes as a response to

Stöttinger and Penz (2011) who questioned the preference for European brands in an actual purchase situation. A general lack of research on the direct influence of a product's origin as well as related concepts like NID and CET on WTP has to be noted. Keeping in mind the enormous effect pricing has on the profitability of a company, the importance of this topic for marketers as well as practitioners is evident. In this regard Schweiger, Häubl and Friederes (1995, p. 33) found that the use of a 'Made in the EU' label could be favorable "*the better the 'Made in'-image of Europe compared to other regions of the world, and the smaller the perceived differences in quality between goods originating from different European countries*" is. However such an OM could backfire if the *Country Image* (CI) where the goods are manufactured is significantly worse than that of European products. This uncertainty may invoke boycotts and rejections of the introduction of such a label by countries with significantly higher image attached to manufacturing processes such as for example Germany. Therefore this thesis clarifies the question of how people might interpret *Regional Designation*, consequently leading to the first research question.

Research Question 1: *How does the label 'Made in the EU' as a Regional Designation influence willingness to pay?*

Second, it gives an overview on the current state of progress of introducing a 'Made in the EU' label and summarizes the existing legislative process. This thesis will lead to a better understanding of the implication of this specific 'Made in ...' seal on consumers' willingness to pay by drawing from the theories of social identity, collective identity, and ethnocentrism. It answers a demand raised by Verlegh (2007, p. 370) stating that: "*further research is needed to understand the interactions between multiple identifications, and their effect on consumer behavior.*" In various studies definitions and scales of national identity, patriotism and nationalism have often been used interchangeably to the point where Shimp and Sharma (1987) developed a construct and a corresponding measurement scale, which reflects the desire of consumers to protect their domestic economy, namely *Consumer Ethnocentrism*. The question remains how Europe as a whole is going to be perceived within this construct, if it is seen as an equivalent to a domestic economy and if high values of multiple identifications like EID, NID and CET might have an impact on WTP. Smith (1992, p. 57) pointed out that the cultural and psychological issues like meaning, value and symbolism associated

with EID have not been investigated enough, that the research at hand is characterized by a lack of theoretical complexity and that it “*tends to be somewhat impressionistic and superficial.*”

Forehand, Deshpandé and Reed (2002) provided an explanation of the psychological process that may underlie the expression of a national identity in consumption patterns. While country evaluations and product related outcome variables have been linked to numerous antecedents and moderators (for a recent review on this see Pharr, 2005), the introduction of a Pan-European origin mark sparks the question of how influential a European identity has become. This thesis investigates the psychological motives that may influence consumer preference for domestic/European goods over foreign goods. Brewer (1999) found that feelings of attachment to the home country are not necessarily connected to the rejection of other nations. Whereas CET *per se* includes negative attitudes towards foreign nations, NID reflects the desire for a positive national identity, created by a need for self-enhancement (Verlegh, 2007). It can be assumed that CI, EID, CET and NID are likely to have differing effects on consumers’ preferences for home-made and imported products. Researchers have investigated product-related factors such as *Product and Purchase Involvement* (PI), *Price Consciousness* (PC) or *Consumer Preference* (CP) as potential moderators in trying to parse COO effects, yet no analysis on *Regional Designation* has been conducted. Understanding these possible differences can be of great help for companies when designing their international marketing strategies. Whereas it is possible to put a price on products from Belgium and Poland, the question remains how consumers react to a product produced in the *Common Market*.

Research Question 2: What country-related, consumer-related or product-related factors influence consumers’ willingness to pay with respect to the label ‘Made in the EU’ as a Regional Designation?

While using a relatively new experimental method in the context of COO-related research in combination with proven scales extends the methodological contributions of this thesis, the managerial implications should not be disregarded. In such a way this thesis is going to give insights for marketing managers designing their pricing strategy in a European context.

1.3 Structure of the Thesis

Figure 1.1 illustrates the structure of this thesis. The work has been divided into five main chapters. After a short introduction, the second chapter gives a broad overview of the theoretical background and prior research of this thesis. Consequently the aim of this chapter is to derive the hypotheses used in the empirical study on the basis of touched constructs. Therefore the structural model of the following research is introduced. The chapter begins by explaining the use and origin of OMs and the ‘Made in ...’ seal; subsequently differentiating *Regional Designation* from COO cues. In the same section the possible introduction of OMs in the European Economic Community (EEC) and the process of codifying a ‘Made in the EU’ label in European law are summarized. *Regional Designation*, similar to COO effects, is assumed to create different associations in consumers’ minds. Therefore possible country-related, consumer-related and product-related factors influencing consumers’ WTP with respect to *Regional Designation* are presented. An empirical study investigating these hypotheses is presented in the third chapter. The first section of the third chapter establishes a methodological overview of the study conducted in Spain. This section begins by clarifying the measurement instruments used in the experimental design. It goes on to discuss the questionnaire development, puts forward the items used in the questionnaire design and moves to describe the pretest and the final sample. In the second section of this chapter the data of the empirical study is explored in a preliminary analysis and the results are illustrated and interpreted in the main analysis. To conclude the forth chapter offers some recommendation for managerial use of the results and on how to interpret the findings in an international setting. The pros and cons of the use of *Regional Designation* with respect to the empirical evidence at hand are discussed and a brief aside on *European Identity* is given. In the final chapter the main findings and results are summarized and an outlook to future research is provided. A review of the COO mode of action and effect models and a comparison of measurement methods used to determine WTP in market research is provided in Appendix A of this work.

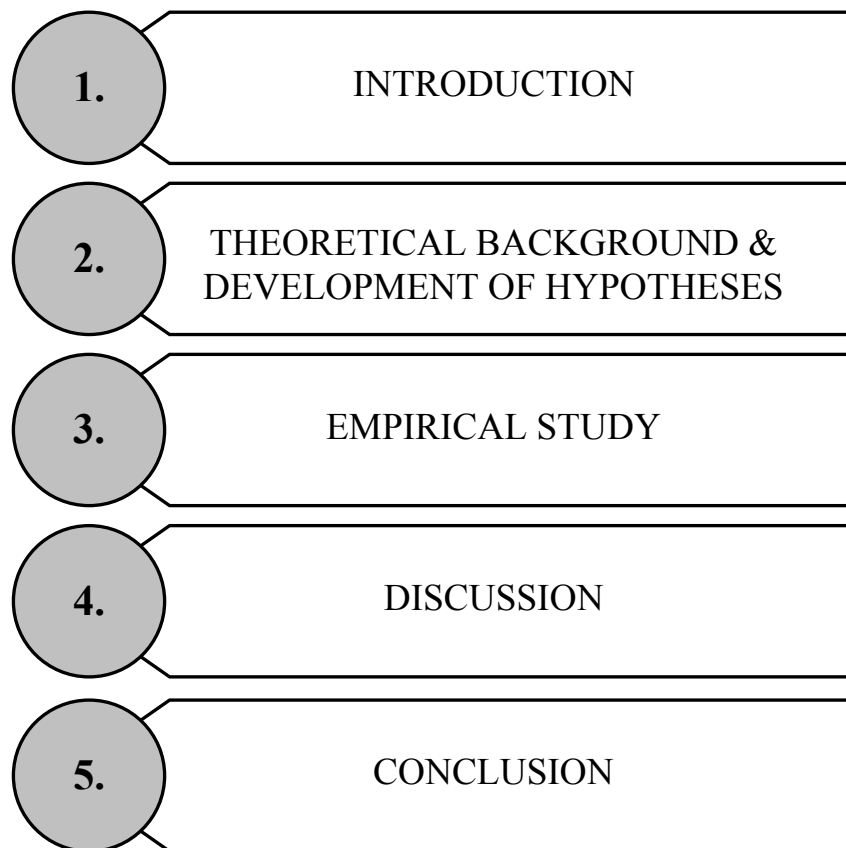


Figure 1.1: Structure of the Thesis

2. THEORETICAL BACKGROUND AND DEVELOPMENT OF HYPOTHESES

The main objective of this chapter is to formulate a series of hypotheses on the mechanisms that support the effect exerted by *Regional Designation* on consumers' willingness to pay. As portrayed in the previous chapters numerous researchers have shown the effects of COO on the evaluation of product quality and on the individual purchase intention. However there has not been a single study on the effect of a European origin label on this topic. In order to do so, a research model is outlined in Figure 2.1. While establishing the hypotheses this chapter will introduce and familiarize the reader with the main components of this theoretical model as well as give an overview of prior research and historical development.

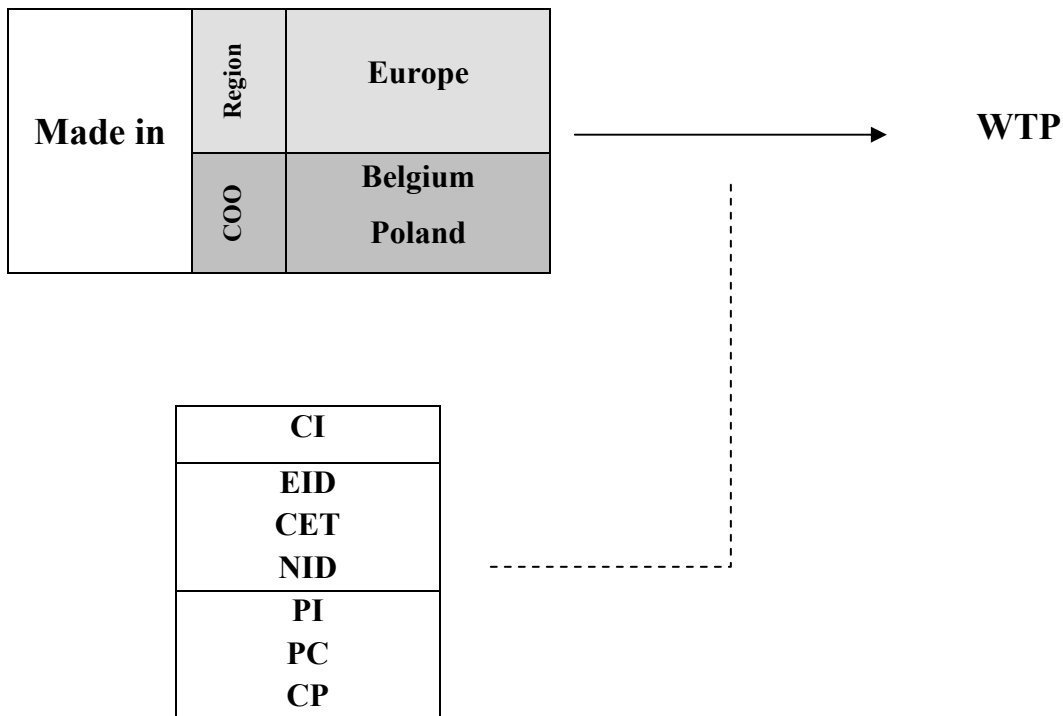


Figure 2.1: Research Model

The first part of this chapter presents an historic review of 'Made in the EU' labeling practices and its tie to COO research. In order to combine these fields of research a profound knowledge of the different subjects is of great use. The historic context of the 'Made in ...' seal is going to be contrasted with the use of COO cues in international

marketing and the current EU legislation process. The cornerstones of introducing binding regulation on origin markings and the possible introduction of a ‘Made in the EU’ OM are laid out.

In a second step the importance of determining willingness to pay in market research is described and possible moderators of the influence of *Regional Designation* on WTP are characterized. These moderators have been classified into country-related, consumer-related and product-related factors.

2.1 Origins and Classification of the ‘Made in ...’ seal

While consumer perceptions of products coming from different countries and the psychological aspects of COO effects will discuss in detail the next section, this section gives an overview of the history and use of ‘Made in ...’ labels and clarifies their difference to other quality and certification marks. The manufacturer of a product can communicate the origin of his product using origin labels. A mark of origin (‘Made in ...’ label) is a permanent sign (word or symbol) on a product which identifies its geographical origin (e.g. country, region or city). Obermiller and Spangenberg (1989, p. 455) stated that: “*Consumers will use COO labels to infer other attributes if they perceive the two attributes to be associated, if they are confident in their knowledge of the country of origin, and if there are no better indicators of the target attribute value.*” Albeit it is important to distinguish origin seals strictly from quality marks, as they solely tell the consumer about a products origin. Quality and certification marks on the other hand make a statement about the quality or the manufacturing process of the entire product or of specific product features (Sattler, 1991).

Even in the distant past the origin of products was an indicator of quality. "Silk from China" or "Carpets from Persia" enjoyed high esteem all over the world. However the conscious use of guarantees of origin in the form of so-called ‘Made in ...’ labels in the context of a communication strategy of companies is rooted in the British “*Merchandise Marks Act*” of 1887. As wages in Germany were very low at that time, the UK felt seriously threatened in its competitiveness. The situation then is similar to that of today, where Europe is being *overrun* by cheap products from the Far-East. This trade mark law forced Germany to label products exported to the UK with ‘Made in Germany’. One of the main stated purposes of OMs was - and is - to allow consumers to make

informed purchase decisions with regard to the origin of the product. The British consumers were to be put in a position where they could differentiate between the supposedly bad and cheap mass-produced goods from Germany and the qualitatively better domestic products. This stigmatization of German products in the UK market proved to boomerang as the ‘Made in...’ label quickly became a recognized seal for reliability and quality with regard to German products. The German industry then decided to use this seal of *quality* ‘Made in Germany’ also for exports to countries which did not demand such an indication of origin (Hausruckinger, 1993; Kurz, 1994). Juvancic (2000) described a similar situation for Japanese products in the past years. In fact while origin marking can be a compulsory requirement for imported and/or domestic goods around the world, the European Union today has no consistent regulation on origin markings. In this respect the Austrian legal system for example does not define any rules or conditions for the attachment or use of the designation of origin ‘Made in Austria’. Note, however, that persons or companies that give misleading information about the origin of its goods will be taken to account due to § 2(1) of the Law against Unfair Competition (UWG). The same provisions are specified in consumer protection legislation on the European level which requires that any origin-marking must not mislead or deceive the consumer as to the geographical or commercial origin of the product concerned (Article 6(1)(b) of Directive 2005/29/EC of 11 May 2005). Europe’s main trading partners and competitors (e.g. USA, Japan) however have for some considerable time been applying firm rules on denomination of origin for manufactured goods outside of their respective countries, a defined set of rules, that prohibits or requires the origin-marking of goods imported to the country. US legislation for example requires all goods put on the US market of non-US origin to be marked with their country of origin, whereas there is no requirement for goods made wholly or partially in the US to be labeled with a sign ‘Made in the USA’ or the like. In practice, however, many American producers do mark their goods as being of US origin for the purposes of consumer information, to help in preventing consumer deception as to the true origin of the goods and in promotion of the attractiveness of American products in the eyes of the consumer. In Austrian or European legislation no law specifies exactly which treatment or processing steps are necessary to put ‘Made in Austria’ on a product (WKO, 2012). The current situation clearly puts Austria and the EU at a disadvantage compared to its trading partners, who require origin marking for imports to their countries.

On the other hand, Ursunier (2006) noted that in specific product categories (e.g. household appliances or consumer electronics) the made-in label has progressively disappeared as a systematic element of product labeling. The example of Germany's 'Made in Germany' label shows, how in the course of time this seal became a quasi-quality mark rather than just an indication of origin. Morello (1993) questioned if further European integration, consequently leads to the disappearance of national origin references such as 'Made in Germany'. He argues that the more the vision of a single homogeneous economic area is achieved, the more important it is for producers to differentiate their products from the growing international competition. Consequently one can expect that regional and national images persist, due to their high stability over time. Graby (1993) stated that signals with respect to the country can continue to serve as a differentiator from competitors in international markets. However a commonly held signal like the 'Made in ...' seal might not be suitable enough for this kind of differentiation. Juvancic (2000) rather assumed that enhanced sub-national origin marks are going to be used, because they offer a higher potential for distinction.

As stated before a distinction has to be drawn between origin markings and quality or certification marks, as OMs *do not* per se give any indication on the quality of a product. Taking this into account Guerrero (2001) argued in favor of products with denominations of origin (PDO), products with geographical identities (PGI) and the *Traditional Specialities Guaranteed* (TSG) trademark. In contrast to 'Made in ...' legislation the European Union protects traditional products and guarantees the minimum quality of certain foods. In Commission Regulation ((EEC) No 2037/93) on the protection of geographical indications and designations of origin for agricultural products and foodstuffs a European Union logo for identifying a protected designation of origin was introduced. Jimenez argued that from a marketing perspective, quality denominations can be regarded with some peculiarities, as commercial brands are able to create their own identity (as cited in Guerrero, 2001, p. 284). In general the system serves as a quality mark and is similar to the Appellation systems, such as the *Appellation d'Origine Contrôlée* (AOC) used especially for French Wine or the *Denominación de Origen* (DO) system used in Spain. In many cases, the EU PDO/PGI system works parallel with the system used in a specified country and in some cases is subordinated to the appellation system, because it was already instituted. For Example in Spain *Jamón de Jabugo* special ham for *Huelva* has both PDO and DO classifications, but generally only the DO classification will be shown. The seal

Denominación de Pago for Spanish wine is even stricter. To receive the PDO status, the entire product must be traditionally and *entirely* manufactured (prepared, processed *and* produced) within the specific region and thus acquires unique properties.

Similar to these quality marks, product certification marks verify that a certain product has passed performance tests or qualification requirements stipulated in contracts, regulations, or specifications. Well known certification marks are for example the German TÜV (short for *Technischer Überwachungs-Verein*, *Technical Inspection Association* in English), the ISO norm or the Fairtrade certification¹. An important criterion of distinction to the origin mark is the lack of a legal basis (violations of the regulations of certification marks are punishable under the guidelines of the statute); it also does not provide any evidence for the origin of goods.

As it is the case with origin markings one of the main stated purposes of the European Union in all its resolutions is to allow consumers to make informed purchase decisions. It appears therefore worthy of mentioning that labeling practices in the EU remain a highly disputed topic. This can also be verified as the introduction of a traffic light labeling system for food (COM(2008) 40 final, 30th January 2008) was rejected in June 2010. This system would have shown at a glance the proportions of fat, saturated fats, sugar, and salt using traffic light signals for high ("red"), medium ("yellow") and low ("green") percentages for each of these ingredients. It was supported by many physician groups including the British Medical Association (BMA, 2012). However due to intensive lobbying and political intervention by industrial, business and trade association the bill did not pass.

¹ Fairtrade is a product certification system designed to allow people to identify products that meet agreed environmental, labor and developmental standards.

2.2 Regional Designation vs. COO cues

The vast existing body of literature on the subject of country-of-origin effects has already been addressed in the introduction. The importance of this topic was first expressed by Dichter (1962) in his article “*The World Customer*” as “[...] an understanding of cultural anthropology will be an important tool of competitive marketing.” Three years later, in 1965, the first scientific paper on the subject was published; Schooler is therefore considered to be one of the founders of this research direction. As early as 1987, Tan and Farley found that the topic of country-of-origin effects is probably the most researched aspect of international marketing research - a finding which today is still valid. In almost 50 years of research, this area is still of great interest – some papers are citing between 750 and 1000 works in this field, with at least 400 of them being published in academic (peer-reviewed) journals. (Papadopoulos & Heslop, 2002; Usunier, 2006) Although the strength of the measured effects varies between different studies, product classes, consumer groups and investigation scenarios, so far all studies come to a single conclusion: The influence of the country of origin on product evaluation exists and is measurable (Heslop, Papadopoulos, Dowdles, Wall, & Campeau, 2006). This section is therefore going to provide a basic introduction of the underlying concepts and definitions of country of origin research.² A detailed summarization of all aspects of COO literature would however go beyond the scope of this thesis, nevertheless an overview of the COO mode of action and effect models can be found in APPENDIX A: Additional Information.

Whereas the influence of COO cues on consumer behavior has been thoroughly investigated in the field of international marketing, the use of *Regional Designation* and the influence of EID on consumer behavior have been neglected. To a point where Samiee (2010) argued that a lack of European labeling practices and requirements should be seen as evidence against CI as a surrogate for buyers’ product evaluation and purchase decision. In contradiction this section will show, that because of the importance of CI, the topic remains highly disputed. Rather than abandoning research

² For a detailed overview on COO research compare also: Bilkey & Ness (1982); Al-Sulaiti & Baker (1998); Peterson & Jolibert (1995); Skaggs, Falk, Almonte & Cárdenas (1996); Verlegh & Steenkamp (1999); Papadopoulos & Heslop (2002); Usunier (2006).

on *Regional Designation*, this topic should be further scrutinized as it is in fact developed in the field of social and political sciences due to European integration.

2.2.1 The Manifestation of Country of Origin (COO)

To understand the underlying concepts and definitions of COO the following section explains its history and use in academic research. Samiee (1994) defines COO as: “the country with which a firm is associated. Typically, this is the home country for a company.” The concept was originally defined as a single dimensional construct of the made-in country (see the review of Nebenzahl, Jaffe, & Lampert, 1997), that is, the country which one can find on a ‘made-in’ label or the country of manufacture (COM) (see the review of Samiee, 1994). Generally it refers to the country where final assembly of the good took place. In 1996, the U.S. Customs Service issued new rules to determine an imported product’s COO and replaced the ‘Made in ...’ label in some product categories (Chao, 2001). The rules were developed to reflect new complexities in global product operations and allowed for differentiation between an imported product’s country of design (COD), country of parts/components (COP/COC), and country of assembly (COA). COD³ of a certain product is the country where the product was designed or developed. With multinational production, there has been a growing discrepancy between COMs and CODs. In some product categories new multiple affiliations labels replaced the ‘Made in ...’ label previously required by the government. Hybrid products with multiple country affiliations have since grown especially in durable goods categories like automobiles and electronics (Pham, 2006). Chao (1993) addressed this hybrid product issue and detected no significant COD by COA interaction effect. For example, in contrast to common knowledge that Apples new iPad is ‘Designed by Apple in California, Assembled in China’, Chaos research showed that in general poor perceptions of product quality associated with a particular country of assembly location cannot be compensated by having the product designed in a country with a positive design stereotype. Moreover, global companies tend to manipulate brand names to suggest particular origins and gain country of brand (COB) effects. Thus COO is increasingly considered as the country which consumers typically

associate with a product or brand, irrespective of where it is actually manufactured.

Country Image (CI) as such has a certain influence on consumer evaluation. For instance, a poor CI in terms of democracy may backfire on the image of goods made in that particular country (Martin & Eroglu, 1993). Roth and Diamantopoulos (2009) focused on CI and defined COO effects as any influence or bias caused from COO information. One has to emphasize that CI does not evaluate true attributes, but only subjective impressions. For the individual person this image represents the object, regardless of whether it even exists (Jaffe & Nebenzahl, 2001). In fact, CI may be the more appropriate summary construct, of which perceived quality may be just one dimension. Equally, in his work Nagashima (1970) described the 'Made in ...' image as *"the picture, the reputation, the stereotypical businessmen and consumers attach to products of a specific country"* (p. 68).

COO effects can have a decisive influence on purchase decisions and research shows that the COO has an impact on consumers' quality perceptions of a product (Erickson, Johansson, & Chao, 1984; Johansson, Douglas, & Nonaka, 1985; Han & Terpstra, 1988; Hong & Wyer, 1989; Teas & Agarwal, 2000; Ahmed & d'Astous, 2007; Lee, Suh, & Moon, 2001), as well as ultimately on the preference for and the willingness to buy that product (Bilkey & Nes, 1982; Pharr, 2005). Furthermore, several studies have shown that consumers tend to have a relative preference for products from their own country – home country bias - (Lillis & Narayana, 1974; Shimp & Sharma, 1987; Ahmed & d'Astous, 2007) or may have a relative preference for or aversion against products that originate from certain countries, so-called affinity (Oberecker, Riefler, & Diamantopoulos, 2008) and animosity (Klein, Ettenson, & Morris, 1998) countries. In addition, products from developed countries scored higher than those produced in less developed countries (Gaedeke, 1973; Zain & Yasin, 1997; Kaynak, Kucukemiroglu, & Hyder, 2000; Lee et al., 2001). The area of research can be further separated into cognitive, affective, and normative COO effects on preference (Verlegh & Steenkamp, 1999)⁴.

³ Designed-in country image (DCI) used instead of COD in the review of Nebenzahl et al. (1997).

⁴ Read APPENDIX A: Additional Information for a detailed comparison of the theoretical framework of COO effects, effect models and mode of action.

When consumers evaluate a product their judgments are influenced by information; a bundle of attributes are conveyed to the customers by specific cues (Schweiger, Otter, & Strebing, 1997). In this context it is important to differentiate between the concept of intrinsic and extrinsic product cues. Intrinsic information is an integral part of the product; examples are the color, smell, texture or nutrition content of the product, whereas an extrinsic product cue is not part of the physical product (Rao & Monroe 1989; Monroe, 2003). Brand name, price, product warranties and COO information fall into the extrinsic category (Thakor & Katsanis, 1997; Teas & Agarwal, 2000). Such extrinsic cues have been at the core of country-of-origin effects research since the first COO studies (Schooler, 1965). However price related studies that measure WTP in a real buying situation have been scarce. Koschate-Fischer et al. (2012) have been the first to show that COO not only affects consumers' preference, but also specify how much they are willing to pay. Therefore the researchers encourage in their conclusion "further investigations of the price-related consequences of COO effects" (p. 35).

2.2.2 The Development of Regional Designation

The mere introduction of *Regional Designation* is first and foremost a legal question. Since 1980 there has been a discussion about obligatory 'Made in ...' markings in the EEC (COM(1980) 557 final, 20th October 1980, p.3)⁵. At the beginning the discussion focused on the indication of the origin of certain textile and clothing products. However *compulsory* OM for imported goods have been prohibited by the European Court of Justice (ECJ) in a case in 1985 with the argument that this was a barrier to free circulation of goods, one of the four fundamentals of the *Internal Market* (Commission vs United Kingdom, Case 207/83, 25th April 1985). After this court ruling the issue of OM came back to light in 1998, again in the context of textiles and clothing. The European Economic and Social Committee (EESC) raised the topic in a "*Plan of action to increase the competitiveness of the European textile and clothing industry*" (OJ C 214, 10th July 1998, pp. 95-103). The EESC called upon national and Community authorities "*to consider the establishment of marking showing the place of manufacture, to combat evasion of rules and thus ensure transparency and proper information for the*

consumer” (p. 97). The EESC further underlined “*the fact that consumers are often ill-informed or uninformed about the origin and production conditions of the products available to them, which in its view would warrant carrying out a study on the introduction of origin marking*” (p. 101).

Five years later, the Commission expressed the issue in a Communication on the future of the textiles and clothing sectors in the enlarged EU (COM(2003) 649 final, 29th October 2003). The Commission stated that: “*A ‘Made in Europe’ label could help increase the confidence of consumers, that when they are purchasing a garment they are paying a price that corresponds to the highest standards of production and style expected from European manufacturing*” (p. 33). The Commission noted that the introduction of OM for textile and clothing products in the EU could provide more and better information to consumers and made a commitment to further examine the issue.

On December 12, 2003 the European Commission put forward a working document titled: “*Made in the EU Origin Marking – Working Document of the Commission Services*” concerning an EU origin marking initiative for goods. The working document investigated the existing legal situation on the subject (lack of uniform practice in the EU; compulsory origin marking for imported goods under the legislation of major EU trade partners e.g. US, Japan etc.) and presented three possible options to be adopted if a change in the status quo was wanted. The three options were:

1. *An EU-wide regulation governing the use on a voluntary basis of origin marking for both imported goods and EU domestic production.*

2. *An EU-wide regulation requiring compulsory origin marking for imported goods, and voluntary EU origin marking on domestic production (i.e. regulations governing voluntary use of “made in the EU” origin marking). This would be akin to the current US system.*

3. *An EU-wide regulation providing for compulsory origin marking for both imported goods and for domestic production.*
(European Commission, 2003, p. 5)

Implicitly a fourth option, to maintain the status quo, existed.

⁵ A timeline of the proposal can be found here: http://ec.europa.eu/prelex/detail_dossier_print.cfm?CL=en&DosID=123606

Implications and arguments for all three options have been formulated and the impact of the three options - the possible advantages and disadvantages - of an EU origin marking scheme have been discussed in the working document. The Commission Services came to the conclusion that the potential benefits would be: improving information for consumers, a contribution to the fight against misleading labels, (a better balance) the balance between the cost of imports into the EC of products from non-EU member states and EU exports to major trading partners, the introduction of greater uniformity and clarity within the EU internal market, and the promotion of the image and attractiveness of European products. With regard to likely disadvantages, the Commission Services referred to: possible additional administrative costs for the member states when dealing with mandatory regulations, increasing expenditures of public authorities responsible for controlling the application of the scheme, and the risk that national origin labeling systems would constitute an unjustified barrier for intra-Community trade. The Commission Services thought that “*an EU origin marking scheme has in principle several merits*” and “*that the feasibility of such a scheme should be pursued further*” (p. 8). As a result, the Commission wrote that a reevaluation of the desirability and feasibility of an EU origin marking scheme was needed.

After two years of evaluation the European Commission drafted a “*Proposal for a COUNCIL REGULATION - on the indication of the country of origin of certain products imported from third countries*” (COM(2005) 661 final, 16th December 2005) and an impact assessment of the proposal was conducted (SEC(2005) 1657, 16th December 2005)⁶. In the impact assessment the costs of introducing origin markings were evaluated and the above mentioned options for introductions got discussed in detail. The main concern with regards to keeping the status quo expressed in the assessment was the danger of large numbers of textile products imported from mainland China following the lifting of textile quotas. Therefore the products covered at the time included leather and leather accessories, textiles and clothing, footwear, ceramics, glassware, jewelry, furniture, lamps and kitchen cleaning equipment. However, some Member States were worried about too many administrative burdens, while others felt it was a one-way road to protectionism. Especially in Germany and the UK commercial associations spoke strongly against the compulsory ‘Made in ...’ label on imported

⁶ A timeline of the proposal can be found here: http://ec.europa.eu/prelex/detail_dossier_real.cfm?CL=en&DosId=193690

consumer goods, because of fear of losing their competitive advantages and as a result the proposal did not reach a qualified majority.⁷

Following the signing of the Treaty of Lisbon, which gave new powers of co-decision to the European Parliament in matters of trade, the European Parliament gained an equal voice and the decision no longer solely fell to the Council. On November 25, 2009 the European Parliament voted massively in favor of a Resolution to reopen the legislative procedure over a proposal for a Regulation on the indication of the country of origin of certain products imported from outside the EU (P7_TA(2009)0093). In March 2010 a resolution on “Agricultural product quality policy: what strategy to follow?” was adopted discussing the option of an EU quality logo, which should be made available exclusively to agricultural goods resulting entirely from production in the EU (P7_TA(2010)0088). The European Parliament emphasized the importance for Union rules on origin marking in October 2010 (P7_TA(2010)0383).

The main objective of the Parliament was consumer protection and therefore the installment of clear and mandatory rules on the labeling of where a product originated before being imported into the EU. These rules should serve as a safeguard so that consumers cannot be misinformed or misled about the exact origin of a product. Without such a law in place, the parliament feared that consumers risk purchasing products which have either been labeled misleadingly, or could even be counterfeit. Due to security standards some parliamentarians would also like to see screws and bolts added to the above-mentioned product categories as the standards for these products are higher in the EU than elsewhere. The Resolution again pointed out that the EU is at a competitive disadvantage vis-à-vis its main trading partners, many of which already have origin-marking requirements, including mainland China, Japan, the US and Canada. It furthermore added that a mandatory scheme would not only allow consumers to be informed of the country of origin, it would also enable consumers to identify those products with the social, environmental and safety standards generally associated with that country. In March 2011 the Committee on the Internal Market and Consumer Protection in the European Parliament drew up a press release, stating that ‘Made in ...’ labels should be mandatory for textiles imported from third countries, urging the

⁷ A qualified majority is a majority of at least 55 percent of the members of the Council formed by at least 15 members as long as they represent together 65 percent of the population of the Union, representing 232 votes.

Commission to produce a report within two years and propose legislation to introduce the new labeling requirement EU-wide.

As of the finishing of this thesis the EU legislation process is still in progress.⁸ In summary, in 2005 the Commission presented a proposal in accordance with Articles 133 and 300 of the former EC Treaty (an international agreement relating to the common commercial policy, adopted by the Council without participation of the Parliament). There was no resolution of the Council. After entry into force of the Lisbon Treaty the ordinary legislative procedure applies to the common commercial policy (Parliament and Council have to agree). Accordingly, the Commission proposal has been adjusted. The Parliament largely supported the Commission proposal in a resolution adopted on October 21, 2010, together with a number of amendments. The Council continues to discuss this legislative initiative on that basis. In other words, the cause lies with the Council which was confirmed by a parliamentary answer given by Mr. De Gucht on behalf of the Commission on December 16, 2011 (E-010365/2011). Unfortunately, the work of the European Council is less transparent than the decisions of the European Parliament. As the issue was not addressed in January 2012 at the debate with the Minister responsible for the Danish presidency in the EP Foreign Trade Committee it is not foreseeable, when the discussion will be continued. Such committee meetings are however broadcasted via the Internet <http://europarltv.europa.eu/de/home.aspx>.

This intense discussion process shows however the deeply rooted beliefs of politicians and industry leaders alike towards the introduction of legislation on *Regional Designation*. A study on the price related consequence of the ‘Made in Europe’ label would therefore serve as basis for decision making.

⁸ A timeline of the proposal can be found here: <http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?type=PROC&year=2005&number=0254>

Document	Titel	Institution	Date	Permalink
COM(2003) 649 final	COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS - The future of the textiles and clothing sector in the enlarged European Union	COMMISSION OF THE EUROPEAN COMMUNITIES	29 October 2003	http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2003:0649:FIN:EN:PDF
tradoc_115557	Made in the EU Origin Marking – Working Document of the Commission Services	EUROPEAN COMMISSION - Directorate-General for Trade	12 December 2003	http://trade.ec.europa.eu/doclib/docs/2005/may/tradoc_115557.pdf
tradoc_118123	CONSIDERATION OF AN EU ORIGIN MARKING SCHEME - Consultation Process, Analysis and Next Steps	COMMISSION SERVICES	September 2004	http://trade.ec.europa.eu/doclib/docs/2005/may/tradoc_118123.pdf
COM(2005) 661 final	Proposal for a COUNCIL REGULATION - on the indication of the country of origin of certain products imported from third countries	COMMISSION OF THE EUROPEAN COMMUNITIES	16 December 2005	http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0661:FIN:EN:PDF
tradoc_126710	COMMISSION STAFF WORKING DOCUMENT - Annex to the Proposal for a COUNCIL REGULATION - on the indication of the country of origin of certain products imported from third countries - IMPACT ASSESSMENT	COMMISSION OF THE EUROPEAN COMMUNITIES	16 December 2005	http://trade.ec.europa.eu/doclib/docs/2005/december/tradoc_126710.pdf
tradoc_127021	“MADE-IN”- AN EU ORIGIN MARKING SCHEME, - PARAMETERS AND PROSPECTS	EUROPEAN COMMISSION - Directorate-General for Trade	13 January 2006	http://trade.ec.europa.eu/doclib/docs/2006/january/tradoc_127021.pdf
P7_TA(2009)0093	Origin marking - European Parliament resolution of 25 November 2009 on origin marking	EUROPEAN PARLIAMENT	25 November 2009	http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2009-0093+0+DOC+XML+V0//EN
A7-0273/2010	REPORT on the proposal for a regulation of the European Parliament and of the Council on the indication of the country of origin of certain products imported from third countries	Committee on International Trade	6 Oktober 2010	http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&mode=XML&reference=A7-2010-0273&language=EN
P7_TA(2010)0383	Indication of the country of origin of certain products imported from third countries	EUROPEAN PARLIAMENT	21 October 2010	http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2010-0383+0+DOC+XML+V0//EN

Table 2.1: Legal Documents concerning the EU legislation process

Chapter 2.2 recaptured the fact that there have been a multitude of studies determining the direct effects of origin labels on purchasing behavior (see Usunier, 2006). Do to the increasing internationalization and the ongoing enlargement of the European Union it is of keen interest what consumers understand by a European OM and how they evaluate a supranational concept like ‘Europe’ in a buying situation. Therefore it is important to identify how consumers interpret labels associated with larger geographical and economic unions and how they react to *Regional Designation*. However only one study by Schweiger et al. (1995) and a thesis by Barbara Kraxner (2010) covered explicitly the topic of products labeled ‘Made in the EU’. Their findings showed that products labeled ‘Made in the EU’ were rated higher or at least equal to the same products labeled with a specific COO cue, but did not determine what environmental factors would influence the decision-making process. The conditions for a successful use of a European OM would therefore depend on the favorability of a national or foreign countries image, the consumers’ beliefs and socio-cultural background and the product specific attributes. Both papers however lack price related consequences and implications. In the same way a general lack of research on the direct influence of a product’s origin on consumers’ willingness to pay has been affirmed, especially in an actual purchase situation (Stöttinger & Penz, 2011). The following hypotheses try to ascertain the impact *Regional Designation* might have on WTP.

Hypothesis 1: Regional Designation and COO cue will have a differential impact on WTP.

2.3 Assessing the Regional Designation Influence

Regional Designation, similar to COO effects, creates different associations in consumers' minds. In their meta-analysis of COO research Verlegh and Steenkamp (1999) generally classify COO effects into cognitive, affective and normative mechanisms. In the cognitive approach the COO cue is used as a 'signal' for overall product quality, whereas normative consumers hold social and personal norms related to a products country of origin and in the affective model an emotional and symbolic benefit, including social status and national pride is attributed to a COO.⁹

Country-related Factors	
COUNTRY IMAGE (CI)	Pappu/Quester/Cooksey (2007) Roth and Romeo (1992)
Consumer-related Factors	
EUROPEAN IDENTITY (EID)	Müller-Peters (1998)
CONSUMER ETHNOCENTRISM (CET)	Verlegh (2007)
NATIONAL IDENTIFICATION (NID)	Verlegh (2007)
Product-related Factors	
PRODUCT AND PURCHASE INVOLVEMENT (PI)	Mittal and Lee (1988, 1989)
PRICE CONSCIOUSNESS (PC)	Lichtenstein et al. (1988)
CONSUMER PREFERENCE (CP)	Didier and Lucie (2008)

Figure 2.2: Country-, consumer- and product-related determinants

Similar environmental factors can be assumed for *Regional Designation*. Schweiger et al. found indications that consumers would judge the quality of products labeled 'Made in the EU' equally or higher than products labeled 'Made in the USA' or 'Made in Japan' respectively. In the same way as Shimp and Sharma (1987) found that purchasing domestic products may be regarded as a right way of conduct, purchasing a European product might be a normative obligation for a European consumer, because it might equally support the domestic economy. Finally consumers might have developed an emotional and symbolic affection to the European Union and feel certain

⁹ For a detailed overview of COO mode of action and effect models see APPENDIX A: Additional Information.

identification with Europe and its people. The possible factors influencing *Regional Designation* investigated in this thesis are listed in Figure 2.2, they make however no claim of completeness. Samiees' (1994) framework of assessing the COO influence served in this respect as a possible template.

2.3.1 Country-related Factors

Whereas COO effects have been presented as cognitive, affective and normative processes, CI was operationalized two dimensionally by Roth and Diamantopoulos (2009). In the sense, that having on the one hand cognitive beliefs about a particular country and on the other hand an affective facet that would capture country related emotions and feelings. In an attempt to summarize CI research the two researchers identified a total of 30 existing measurement scales a countries image and further specified that 18 of these studies are "*really different from one another*" (p. 733). Two of these measurement scales should be highlighted the one of Pappu, Quester and Cocksey (2007) and the one of Roth and Romeo (1992). Pappu et al. (2007) based their work on Nagashima (1970) and Martin and Eroglu (1993) and differentiated between micro country image and macro country image. Martin and Eroglu (1993, p. 193) gave a definition on overall CI as "*the total of all descriptive, inferential and informational beliefs one has about a particular country*" and deducted that CI has three underlying aspects, namely economic, political and technological. However both Nagashima (1970) and Roth and Romeo (1992) definitions conceptualized CI at the product level. Indeed, Roth and Romeo (1992) showed that there is a relationship between consumers' preference for a country's products and consumers' image of a country. Accordingly the authors defined CI as "*the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses.*" (p. 480). Regardless of the fact that the term 'country' is used, the definition is related to the products of a specific country, leading to the reservation by Roth and Diamantopoulos (2009) that in this context the term 'product image', instead of the term 'country image', might be more accurate to use for this conceptual definition. In line with Roth and Romeo's definition of CI the overall perception of a *Regional Designation*, based on prior experience with the regions production and marketing strengths and weaknesses could have an impact on the overall

preference for products from this region.

This topic is of notable interest in conjunction with the development of a European identity. Cinnirella (1997) stated that people might experience transformation processes that influence national and European identities as a result of European integration and associated political debate. The question remains, if the European Union has achieved an emotional bonding with the European people and if association with Europe has led to a creation of European identification. Schweiger et al. (1995) feared that European integration has not yet advanced enough to form a cohesive CI of Europe as a whole or in respect to the various fields of politics, economy and society. As stated before the relationship between CI and consumers' WTP will be analyzed within the scope of this study.

***Hypothesis 2:** Positive Country Image (CI) will lead to higher WTP.*

2.3.2 Consumer-related Factors

Internationalization presents great challenges and opportunities for international marketers. Due to the creation of a common market, the free movement of goods, capital, services and people; consumers have more 'foreign' product choices than ever. Consequently there is a great interest in examining consumer-related attitudes towards products originating from foreign countries.

Research has shown that consumers often prefer domestic over foreign products and display in this way a positive bias towards their home country (see Blikey and Nes, 1982; Shimp and Sharma, 1987; Papadopoulos, Heslop, & Bamossy, 1990; Klein et al., 1998; Verlegh and Steenkamp, 1999, Verlegh, 2007). This bias in consumers' judgments is often connected to a sort of 'protectionism' at a consumer level and is especially high when CET is involved. Shimp and Sharma (1987) introduced the tendency of consumers to be ethnocentric as a notion of their beliefs about the inappropriateness and immorality of purchasing foreign goods. Ethnocentric consumers prefer domestic products because they want to defend their national economy (Klein et al., 1998). Adding to this line of thought, Verlegh (2007) said that it is unlikely that mere economic concerns are the sole motivator for consumers to buy domestic vs. foreign products and highlighted that "*nationality is part of consumers' identity*" (p. 362). His

theoretical framework therefore proposes two independent (complementary) motives that drive home country biases. In a European context the second construct *National Identification* is of particular importance. As it was conceptualized and tested empirically different to CET by Verlegh (2007). Whereas CET has a strong link towards defending ones country from outside influences, NID reflects the desire to positively identify with a national identity and in this way to enhance ones self esteem. His study of Dutch consumers evaluating products from familiar European countries showed no context of intergroup competition or conflict. While consumers with higher levels of NID showed a positive bias towards products from the Netherlands, no negative relationship between NID and the evaluation of foreign product was measured. The thesis at hand tries to elevate these findings on a European level and introduce the notion of *European Identity* in international marketing. The conceptual framework therefore draws on *Social Identity Theory*.¹⁰ Tajfel (1978) explained in a general definition *Social Identity* as a concept in which an individual's self-concept is resulting from the social relationships and the social groups he or she participates in. From his point of view consumers show a positive bias towards accomplishments and efforts of their own group (in-group) relative to others (out-group). His theory has in recent year been developed and according to Risse (2003) it is possible to belong in multiple social groups and therefore have multiple identities. Risse focused his research on the triggers for one identity to be salient over the others especial in the context of European integration.

EID on a regional level would function in this way identically to NID on a national level. It would reflect the desire of a positive European identity, a European OM would enhance in-group evaluation and social status and consumers would therefore be willing to pay more for a product 'Made in the EU'. To turn the argument around, one could in the same way establish that because of economic and socio-psychological motives for a home country bias, absence of EID would lead to a negative effect on WTP for products 'Made in Europe'. Even though Spain is part of the European Economic Community, its general public would in this way not yet have projected a home country bias in product judgment as a form of protectionism to Europe as a whole. Eurobarometer results for 2010 show that Europeans continue to define themselves principally in terms of their

¹⁰ Read "A brief aside: European Identity" in Chapter 4 for more information on social identity theory.

national identity. Respondents have been asked how they see themselves in the near future and 46% of all Europeans identified themselves only by their nationality. The question “*In the near future do you see yourself as ... ?*” permitted a choice between “(NATIONALITY) only”, “(NATIONALITY) and European”, “European and (NATIONALITY)”, “European only” and “None”. In Spain 35% of the respondents associated themselves only with their national identity, whereas 61% of the respondents incorporated Europe somehow in their answer. 75% of the Spanish interviewees answered in the affirmative to the question “*Do you feel you are a citizen of the EU?*” (Eurobarometer, 2010).¹¹ Strong resentments and a general rejection of the introduction of a ‘Made in the EU’ label by various industrial, business and trade association has to be acknowledged and is taken into consideration in this hypothesis. People and lobbyists alike fear the loss of NID and the breakup of clear images and stereotypes people have towards a specific COO. This line of thought well recognized in *International Marketing* however stands opposed by identity research in political science literature. Bruter (2004, p. 201) found two distinct components of EID a civic component and a cultural component and showed that respondents with high levels of NID are also more likely to feel identification with Europe than respondents who have overall weaker levels of political identification. A brief aside on *European Identity* in the discussion of this thesis gives a broader overview on this important topic. For the purposes of this research however a general notion of EID will suffice.

Hypothesis 3a: *Higher European Identity (EID) will lead to higher WTP for products labeled ‘Made in the EU’.*

Hypothesis 3b: *European Identity (EID) will have no influence on WTP for products labeled ‘Made in Belgium’ or products labeled ‘Made in Poland’.*

Shimp and Sharma (1987) introduced in their study CET to international marketing and developed a corresponding measurement the CETSCALE. As stated before CET reflects the desire of consumers to protect their domestic economy. The concept of ethnocentrism however can even be traced more than a hundred years back to William Graham Sumner (as cited in Balabanis & Diamantopoulos, 2004, p. 81), who described

¹¹ See http://ec.europa.eu/public_opinion/index_en.htm for more information on the Eurobarometer.

ethnocentrism as the view of things in which one's own group is the centre of everything. In the famous study "The Authoritarian Personality" on in-group affiliation and out-group hostility Adorno, Frenkel-Brunswik, Levinson and Sanford (1950) found significant correlations between negative attitudes towards all out-groups. The concept of ethnocentrism links the development of ethnic identity to the process responsible for intense out-group hostility reflected by certain type of individuals. The in-group is nationally defined and is the subject of attachment and loyalty. Bringing the concept of ethnocentrism to the economic sphere, Shimp and Sharma (1987, p. 280) defined CET as "*beliefs held by American consumers about the appropriateness, indeed morality, of purchasing foreign-made products.*" Carvalho (2005) described consumers' ethnocentrism as the feeling of superiority towards other nations and underlined the enduring feeling of superiority towards other nations as well as the defensive behavior towards one's nation. It represents the belief that it is inappropriate to buy foreign products because this might hurt the domestic economy (Shimp & Sharma, 1987).

CET also represents a kind of protection of oneself and one's in-group (home country) against the threat of foreign competition, leading to a preference for local brands, products and services (Bilkey & Nes, 1982; Verlegh & Steenkamp, 1999). Incongruently Balabanis and Diamantopoulos (2004) found that CET was a very consistent predictor of preferences for domestic products, but not as capable of explaining (negative) bias against foreign products from specific countries (i.e.. COO effects). Wang and Chen (2004) came to the same result in a study of developing countries, where CET was strongly moderated by the prestige of products from developed countries.

The question for the study at hand remains if CET which is conceptually bound to a certain nationality also extends to a geographic and economic union. Explicitly the question is asked if Spanish consumers extend their ethnocentric feeling towards products labeled 'Made in the EU' and in this way form some sort of regional bias. In this way consumers would see products from outside of the European Union as a common thread to their national and regional identity alike. Especially in times of economic crisis Europe would have to hold together, a 'Made in the EU' label would be anticipated positively as part of one's in-group to be defended against outside competition. This kind of investigation comes in accordance to Verleghs (2007) appeal that additional research is needed to understand the implications of the consumers' identification with multiple national or ethnic groups.

Hypothesis 4a: *Stronger Consumer Ethnocentrism (CET) will lead to higher WTP for products labeled 'Made in the EU'.*

Hypothesis 4b: *Stronger Consumer Ethnocentrism (CET) will lead to lower WTP for products labeled 'Made in Belgium'.*

Hypothesis 4c: *Stronger Consumer Ethnocentrism (CET) will lead to lower WTP for products labeled 'Made in Poland'.*

According to Verlegh (2007, p. 370) NID, “*is of socio-psychological nature. It reflects the desire for a positive national identity, created by a need for self-enhancement.*” He based his conceptualization of NID on *Social Identity Theory*. As stated before social identity refers to the group component of an individual’s self-concept which in turn derives from his or her membership in a social group (Tajfel 1978). In the context of NID, the in-group represents the respondent’s own nation and is connected with his/her specific social identity. Driven by a need to enhance group- and consequently self-esteem individuals tend to evaluate their own nation (i.e. the in-group) more favorably in order to keep their social identity positive. Thus, NID is rooted in and forms a socio-psychological base for home country bias (Verlegh, 2007).

Smith (1992) stated that “*national identification has become the cultural and political norm, transcending other loyalties in scope and power*” (p. 58) and recognized that individuals have multiple identities. Smith emphasized the difference between individual and collective identification; the former being used situational if not optional and the latter tending to be pervasive and persistent. Moreover Verlegh (2007) found that *Consumer Ethnocentrism* is not a part of *National Identification* but rather a separate construct influencing consumer behavior. CET and NID represent two different reasons for home country bias and need to be conceptually and empirically distinguished. While *Consumer Ethnocentrism* first and foremost represents an economic motive to prefer the home country based on the desire to protect its economy, *National Identification* stands for the socio-psychological intention maintaining a positive social identity (Verlegh, 2007).

Depending on the context in which people find themselves, different identities can become salient. For example, one can disclose one’s identity to be Viennese, when visiting friends in other Austrian cities, identify with Austrians when playing football against Germany and speak out as a European citizen when interacting with Americans. As proposed by Risse (2010), postulating that European and national identities can go

together is in this way not controversial. This however remains to be proven in a marketing setting and is explored further in a point of purchase situation in the experiment at hand.

Hypothesis 5a: *Stronger National Identification (NID) will lead to higher WTP for products labeled 'Made in the EU'.*

Hypothesis 5b: *National Identification (NID) will have no influence on WTP for products labeled 'Made in Belgium' or products labeled 'Made in Poland'.*

2.3.3 Product-related Factors

Similar to the context of COO another important question in the context of *Regional Designation* is how people learn about the origin of a product. As stated in the previous chapters COO and consumers' perception of the quality of a product are strongly interconnected. Categorization literature supports the view that multiple product-related information cues are provided to the customer simultaneously and processed implicitly as a by-product of interactions with a product category (Markman & Ross, 2003). This learning process is in no way the central goal of the interaction, but rather incidental with respect to product-related concepts (Hutchinson & Alba, 1991). Extrinsic and intrinsic cues can be differentiated. Extrinsic cues represent factors that are product related, but external to the physical product. Brand name, price, product warranties and the COO or *Regional Designation* fall into this category (Thakor & Katsanis, 1997; Teas & Agarwal, 2000). In contrast, intrinsic information is an integral part of the product that cannot easily be varied without altering the physical features of a product; examples are color, smell, taste, texture or nutrition content of the product (Rao & Monroe 1989; Monroe, 2003). Consumers perceive significance of information cues of a product based on inherent needs, values and interests. The interest towards a specific product is expressed by the level of involvement in a purchase situation and the perceived importance of the decision making process. Congruently Didier and Lucie (2008) postulated that a product quality is apprehended through three main characteristics search, experience or beliefs. From these three characteristics 'experience' has the strongest influence on CP and one can find practical application in the form of product tasting especially in the food industry. Noussair, Robin and

Ruffieux (2004a) showed the implications on price and quality perception of CP comparing demand-revealing auctions and hedonic rating.

Hypothesis 6: Higher Consumer Preference (CP) will have a positive impact on WTP.

According to Mittal and Lee (1988, 1989) PI is the interest a consumer finds in a product class, in the sense that this product class meets important values and goals and that this interest stems from possessing and using a product. In contrast, purchase involvement or brand-decision involvement is the interest in taking a brand selection task. Low purchase-involvement therefore implies a casual selection of brands, while high purchase-involvement is attended by a very deliberative brand choice decision process. Concordantly purchase involvement represents the level of perceived personal relevance or importance a consumer attaches to a product or brand during the choice process. Mittal and Lee (1989) gave the example of changing experience in product involvement as graduating students buy executive clothing or the difference in purchase involvement, when a consumer frequently buys wine in contrast to an occasional purchase as a gift. In a study on the relevance importance of price cues Zaichkowsky (1988, p. 323) however found that: “consumers who were highly involved with the product category of red wine placed less emphasis on the price cue than consumers who had low involvement with the product category”. Her findings show, that highly involved consumers are actively seeking information, compare product attributes and differentiate between different product brands. Thus extrinsic cues such as *Regional Designation* or price are often neglected, but evaluation is more effective and reliable. Koschate-Fischer et al. (2012) found that consumers are more inclined to use extrinsic cues when the intrinsic cues (e.g., taste) are not available or quality is difficult to judge. With respect to *Regional Designation* product and purchase involvement might as well lead to negative effects on WTP as a product marked ‘Made in the EU’ is not yet established and no referential product related cues can be assessed.

Hypothesis 7: Product and Purchase Involvement (PI) will have a differential impact on WTP.

Assuming that buyers have perfect information concerning prices, they can maximize their satisfaction given any budget constraint. Sinha and Batra (1999, p. 240) demonstrated that there is considerable evidence in both marketing and economics that indicates that - *ceteris paribus* and budgets permitting – “*one of the principal ways consumers seek to alleviate greater perceived risk in a category is by buying a higher-priced item*”. This is in accordance to Shapiro (1968) who found that consumer chose a higher-priced brand, to reduce the risk of choosing a product of significantly poorer quality. However, the extent that buyers are conscious of the prices they pay influences the way prices are perceived and the role price plays in buyer choice. Gabor and Granger (1961) discovered that PC was inversely correlated with social class (income), with the exception of the poor, and that it was lower for branded items. Even though customers might receive the same price cue (e.g., 1.99 €) each individual assigns a unique meaning to this objective information. As a result any price cue is going to be compared to a range of acceptable prices in mind and this has an influence on price acceptability (Monroe, 1973). Tellis and Gaeth (1990) found that, subject to the budget constraint, a buyer will implement a “price-seeking” strategy under conditions of high perceived risk (i.e., will seek out the higher-priced brands). However, when the perceived probability and consequences of making a mispurchase diminish, they implied that buyers practice a “price-aversion” strategy and become more price conscious.

Lichtenstein, Ridgway and Netemeyer (1993, p. 235) defined PC as “the degree to which the consumer focuses exclusively on paying low prices.” Sinha and Batra (1999) compared PC to consumers’ reluctance to pay more for the distinguishing features of a product. Thus, if the price of a product is higher than the consumer’s acceptable maximum, he or she may refrain from buying it. However the range of acceptable prices may vary, because these ranges are also person-specific. This means that judgments of price acceptability for two consumers with identical adaptation level prices may lead to different outcomes because of differing price acceptability range widths. One consumer may judge a price as “acceptable-high,” but another consumer with a narrower range of acceptable prices may judge the price as “unacceptable-high” (Monroe, 1973; Lichtenstein, Bloch, & Black, 1988).

Hypothesis 8: Higher Price Consciousness (PC) will have a negative impact on WTP.

2.4 Determining WTP in Market Research

Price can be the source of strained relationships with good clients; it is a weapon competitors use to gain market share; and it can be the cause of conflicts within a firm, as executives who calculate prices based on cost structures often have different ideas about these prices than sales or marketing managers. Diller (1992) defined “price” as the sum of money a buyer (customers, client) has to pay at a specific time for a certain amount of a particular asset to the seller (company, provider). In monetary terms price is the value of a commodity exchange (good, service or right of use) and was generally set at a certain level where congruence is reached between the asking price of the offerer and a financial bid of a demander (Kotler & Armstrong, 2010). Nowadays this transparent form of the price formation process can still be found at stock market exchanges or on a consumer level at flea markets, but most of the time price is set in three different ways. First cost-based pricing is based on a firm's production costs and sets prices according to the internal cost structure. When cost is considered the most important determinant in a firm's pricing effort this method is often chosen because of its simplicity. Second, with demand-oriented pricing price makers look at the quantities of the product that can be sold at different prices. Manufacturing and marketing costs are projected at various sales levels and the most profitable pricing alternative is elected. Third, under competitor-oriented pricing prices are set on the basis of what a firm's competitors are charging. After evaluating the competition and ranking a firm's own products in comparison, prices are raised or lowered accordingly. If one were to think about cost-based-pricing as to be ‘forward’ in nature, where prices are based on the total cost structure and profit margins are added, one could regard competitor-oriented pricing as a ‘backward’ exercise in pricing. Whereas demand-oriented pricing looks at what customers are willing to pay and sets prices according to estimated demand schedules (Nessim and Dodge, 1995). However Monroe and Cox (2001) stated that only 8% to 15% of businesses conducted pricing research prior to developing effective pricing strategies and that almost half of the surveyed companies adjusted prices once or less in a typical year. Additionally, only 13% of the prices that were changed were a result of a scheduled review of the current pricing policy.

Huge profit gains can be realized with a clever pricing strategy, whereas severe profit losses can be avoided. Pricing is the most important element of the marketing mix

because *"price is the only marketing strategy variable that directly generates income. All the other variables in the marketing mix generate costs: advertising and promotion, product development, selling effort, distribution, packaging - all involve expenditures"* (Monroe, 2003, p. 8). Furthermore, the price for a product is the marketing variable that can most easily be adjusted. Even a small difference in price can have a determining impact on the success of a marketing strategy. Price can be seen as an opportunity for extreme profit leverage, because increasing prices typically have three to four times the effect on profitability than increasing volume. A company with average economics can gain 11.1% more profit by increasing prices by only 1%, whereas a 1% increase in sales volume yields only 3.3% increase in operating profit (Marn and Rosiello, 1992).

Price determines whether a product is ever purchased, and which product the buyer chooses among competing offers. Product purchase is only considered if the purchase price does not exceed the perceived product benefits. (Simon, 1992) The perceived product value therefore determines the willingness to pay, that is, the amount a customer is willing to pay for a unit of the product. This reservation price indicates *"the maximum price a buyer is willing to pay for a given quantity of a good"* (Wertenbroch & Skiera, 2002, p. 228). WTP is a ratio-scaled measure of the subjective value the buyer assigns to that quantity. For companies to estimate a product's demand, to design optimal pricing strategies or to evaluate new product development decisions, measuring WTP of potential customers (synonymously used for maximum price, reservation price or prohibitive price) is of vital importance (Cameron & James, 1987; Jedidi & Zhang, 2002; Breidert, Hahsler, & Reutterer, 2006). Therefore different approaches have been elaborated to measure willingness to pay. Figure 2.3 gives an overview of these different methods that are explained in the following sub-chapters.

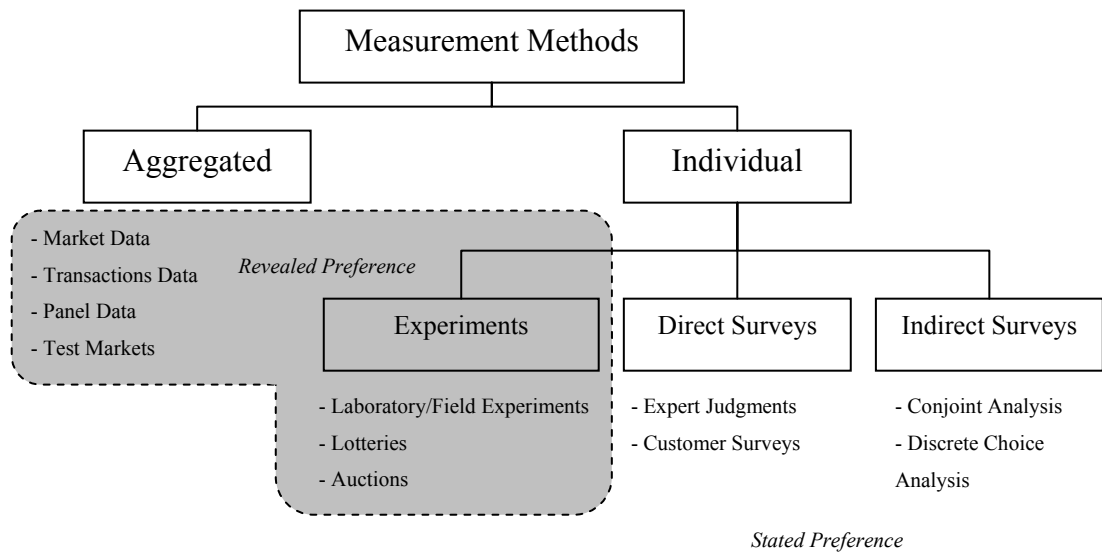


Figure 2.3: Instruments for measuring willingness to pay

Völckner (2006a), Bredert et al. (2006)

The main difference in measurement methods is whether or not the techniques provide an incentive for consumers to reveal their *true* WTP and whether or not they simulate actual point-of-purchase contexts (Wertenbroch & Skiera, 2002). All forms of measurement instruments to determine willingness to pay in market research are presented in APPENDIX A: Additional Information. In particular market data, direct and indirect surveys and experimental designs are contrasted. In this thesis the Becker, DeGroot and Maschak's (1964) procedure is used and described in detail in Chapter 3.1.3.

3. EMPIRICAL STUDY

The following chapter focuses on the empirical study which has been conducted in Spain. It will test the hypotheses presented in the previous chapter and answer the research questions introduced at the beginning of this thesis. This chapter begins by describing the methodology of the study. First the experimental research design and the measurement instrument are briefly reviewed. The questionnaire development is presented in detail, followed by a description of the pretest. The sampling method as well as the final sample is clarified. In the following section the results of this procedure are put forward. The data is screened, described and analyzed in order to examine the influence of *Regional Designation* on consumers' willingness to pay.

The main part of the empirical study is going to be the measurement of WTP for chocolate bars labeled 'Made in Belgium', 'Made in Poland' and 'Made in the EU'. Chocolate represent a cheap mass-moving commodity people can easily afford, that has been used in other pricing studies (Johannesson, Liljas, & Johansson, 1998; Kaas & Ruprecht, 2006; Noussair et al., 2004a; Wang, Venkatesh, & Chatterjee, 2007; Didier and Lucie, 2008). It further provides the possibility of measuring differences in CI by comparing two opposing quality expectations (Belgium vs. Poland) with a European label. Belgium on the one hand is know for its quality chocolate, whereas Poland, as a rather new member state with no historically grown image as a chocolate producer, has a supposedly bad CI. Wahl (2012) ranked the quality perception for chocolate from six different countries and showed that Belgium scored second highest ($M = 4.87$, $SD = 1.20$), whereas Poland was perceived worst ($M = 1.55$, $SD = 0.81$). Switzerland which is in general judged the best for its quality chocolate has not been chosen as a country of interest for this research as this country is not part of the European Union. To achieve conclusive results for the thesis at hand, *Country Image*, *European Identity*, *Consumer Ethnocentrism*, *National Identification*, *Product and Purchase Involvement*, *Price Consciousness* and *Consumer Preference* serve as environmental factors in this model.

3.1 Method and Design

The methodology applied in this research process is two-fold. First an experiment was carried out to investigate consumers' willingness to pay at the point of purchase in the form of a blind taste test and an incentive compatible lottery (BDM method). Second additional data was collected using a self-completion questionnaire to elicit information like on CI, EID, CET, NID, PI, PC, CP, as well as general demographics. The measurement instruments, the pilot survey, the sampling method and the composition of the final sample - a convenience sample of 313 Spanish respondents - are presented on the following pages. The main object of interest in this study is consumer perception of a *Regional Designation* in the form of a 'Made in the EU' origin mark. Guerrero (2001) described a commonly positive attitude by the Spanish toward products with a denomination of origin. He, however, discovered in a study testing the level of knowledge about the European logo for the protection of geographical indications and designations of origin (Commission Regulation (EEC) No 2037/93) that less than 1% of the respondents knew the meaning of this logo. Nevertheless designation of origin is very important in everyday life for most consumers in the region of Granada and Andalusia. Products with '*Denominaciones de Origen*' for olive oil or Iberian ham (e.g. *Jamón de Jabugo*) transmit a positive image of quality. Risse (2010, p. 69) described Spain as an example for his marble cake model of intertwined identities and stated that Spain had to reconstruct its "*national identity by incorporating Europe into understandings of what constitutes modern Spain*". The modern Spanish identity cannot be understood without taking into account the past authoritarian dictatorship by Francisco Franco. Franco encouraged identification with European economic progress, but claimed "*España es diferente*" ("Spain is different") with regard to its political institutions. However Europeanization remained a genuinely anti-Franquist project that provided opportunity for the political opposition to depict the Franco regime as oppressive, '*backwards*', and limiting political modernization. Risse (2010) illustrated that after the fall of the regime, Europeanization meant both economic and political modernization. Therefore Spanish national identity and identification with Europe as a political and economic modernization project coexist easily. This is shown in high pro-European attitudes and positive feelings towards the single European currency (euro). Risse (2010, p. 71) observed that "*Spanish regionalism also correlates positively with*

pro-European attitudes. Strong regional identities are anti-Madrid, but pro-European.” His findings justify a study on willingness to pay for *Regional Designation* in Granada, Spain. The measurement instrument and the different parts of the questionnaire are explained in the following sections.

3.1.1 Interviewer Introduction

The interviewer approached subjects individually or in small groups and introduced himself as an academic marketing researcher from the *University of Vienna*. Respondents were asked if they would like to participate in a short survey, informed about the blind tasting of a chocolate bar and made aware that they might need some out-of-pocket money to participate in an experiment. Details about the specific instructions explained to the participants by the interviewer can be found in APPENDIX B: Instructions Given by the Interviewer. After agreeing to take part in the survey a questionnaire was handed out. Additionally to the verbal information, a written notice was printed on every questionnaire, explaining that all information would be kept strictly confidential, only evaluated so that no identification of individual participants is possible, that the study is of purely scientific nature and that it is not used for commercial purposes. It was also written that the survey was about personal assessment and that it was important to answer all questions.

It has to be noted that the word “chocolate” has a double meaning in southern Spain. The first meaning is regular, sweet chocolate to eat; on the other hand “*el chocolate*” has the slang meaning of dope or other cannabis products. In fact the old streets of Granada are places where drugs are bought and sold. Because of the blind taste testing, the chocolate bars in the empirical study were at first wrapped in a nondescript metal foil. Unfortunately from afar the looks of it created the misconception that the interviewer might sell illegal products. Hence this characteristic created a challenge in collecting data directly on the streets in face-to-face interviews, especially with an older demographic. Instead, interviews were conducted on different campuses throughout the city of Granada, which in turn created an untainted atmosphere to the collection process.

3.1.2 Blind Tasting of the Chocolate Bar

After filling out the first seven questions of the questionnaire, the first part of the experimentation process started and a chocolate bar was tasted without any information about the brand or the origin. The chocolate was wrapped in a nondescript metal foil and did not exhibit any trademarks or logos. The respondents could try as much of the chocolate as they liked in order to make an informed decision and had to attribute a hedonic rating to declare their preference for the chocolate (“How much did you like the taste of the chocolate bar?”). The hedonic ratings were attributed from a linear scale graduated from 1 to 7, where 1 = ‘I didn’t like it at all’ and 7 = ‘I liked it a lot’. The purpose of this stage was to evaluate consumers’ preferences when relying on the taste aspect of the product evaluation only. What the respondents did not know was that the chocolate they tasted was the same, indifferent of the packaging presented in the second stage of the experiment. Didier and Lucie (2008) used a similar method to determine willingness to pay for organic and Fair Trade products. Furthermore chocolate bars represent a cheap mass-moving commodity people can easily afford and that has been used in other pricing studies (Johannesson, et al. 1998; Kaas & Ruprecht, 2006; Noussair et al., 2004a; Wang et al., 2007; Didier and Lucie, 2008).

3.1.3 Measuring Willingness to pay

The Becker-DeGroot-Marshak mechanism¹² was used to measure willingness to pay in this thesis. After the blind tasting and evaluation of the chocolate bar, as explained in the previous section, was completed, the packaging and product was presented in a COO context. During the second stage, the chocolate bars were not tasted, but participants declared their WTP on the basis of the information provided by the labels. The aim of this second stage was to determine subjects’ WTP for the labels (‘Made in Belgium’, ‘Made in Poland’ and ‘Made in the EU’). In order to control brand preference, a fictitious brand with the name of “*Joko*” was created and a realistic packaging was designed. Three different packs were solely prepared for the purpose of

¹² For more information on the advantages of the BDM mechanism read APPENDIX A: Additional Information.

this study and harmonized to a single model in order to differ only by the distinct country-of-origin information (see example in APPENDIX D: Packaging Used in the Empirical Study). For the purpose of the experiment a corresponding made-in statement “*Fabricado en ...*” was printed on the front side of the packs and a flag symbolizing the respective country or the European Union was visible. Furthermore the BDM procedure was explained in detail to the participants.¹³ To make the dependent variable (differences in willingness to pay) measurable, it must be operationalized. The method of the incentive compatible BDM auction is used, because it has proven to be highly valid and mitigates competition or collusion effects (Wertenbroch & Skiera, 2002). Furthermore this method is more reliable compared with hypothetical methods such as CVM methods (Schreier & Werfer, 2007). The flowchart in Figure 3.1 explains the different steps of the BDM bidding process.

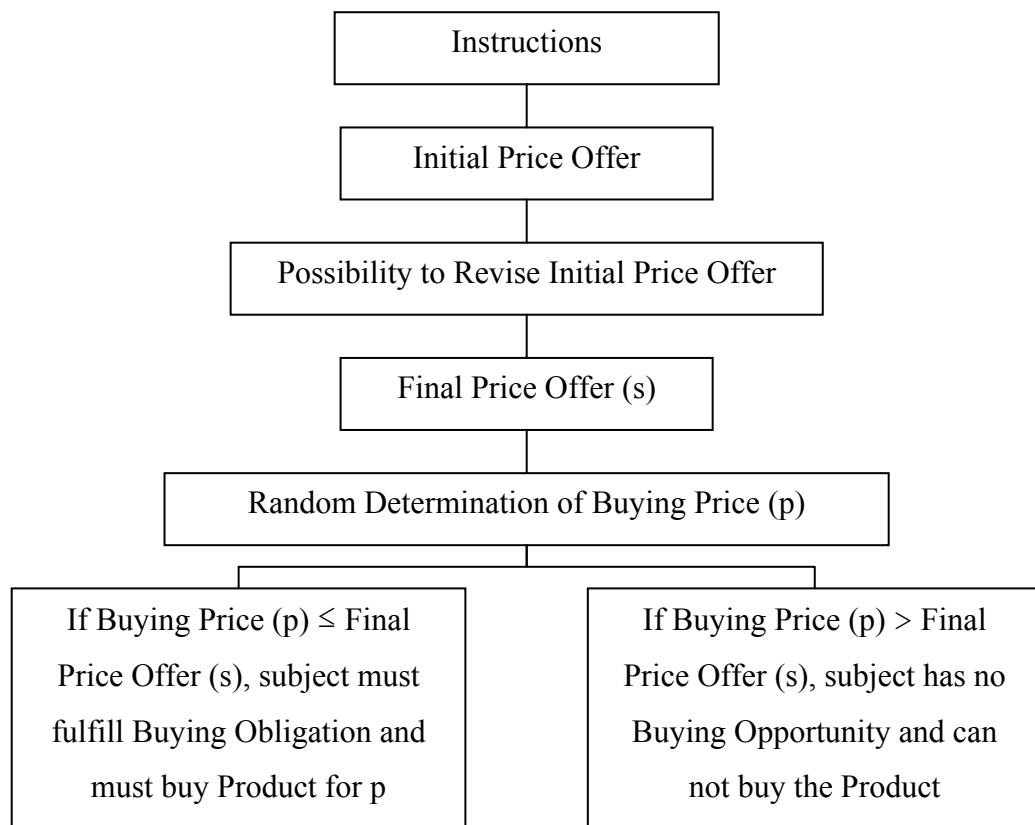


Figure 3.1: Flow Chart of the BDM Procedure

Wertenbroch and Skiera (2002)

¹³ See APPENDIX B: Instructions Given by the Interviewer for details on the specific instructions explained to the subjects by the interviewer, including instructions on revising their offers.

As explained by Wertenbroch and Skiera (2002) valid WTP estimation requires the trust of the participant in the interviewer. Respondents expect a fair transaction. This is important when considering the distribution of the buying prices drawn at the lottery. The range of prices drawn should not appear unfair. Therefore a distribution of 0.70, 0.80, 0.90, 1.50 and 3 Euros was chosen. The choice of the distribution and moments is flexible and depends on the researcher's budget and objectives. However if the distribution is skewed towards higher prices, participants may feel cheated and reject to fulfill their buying obligation. Failing to fulfill the buying obligation is a criterion for exclusion; these subjects would not be part of the final sample. This serves also as a first indication that the setting of a real purchasing obligation was understood and taken seriously. Because the distribution cannot influence the willingness to pay of the respondents and because the researcher did not want to gain any revenue of the experiment, the distribution was set to represent the market price of chocolate in Spain. Consequently at the BDM-auction part of the survey the participants gave binding bids to purchase the chocolate that they had tasted before and that had been presented as coming from a certain country of origin. Then this bid was compared with a randomly determined price. When the participant's bid was equal or higher than the random price, the participants had to buy the product for the random price. When the bid was lower than the random price, the participant was not allowed to buy the product. This means that the bids reflect real purchasing behavior rather than hypothetical behavior. To avoid any impact on the bids the participants were not consciously aware of the possible price range of the chosen random prices. As they pay out-of-pocket in a real purchase situation BDM complies with the so-called "point-of-purchase" criterion. This means that participants can be located at different locations throughout the city of Granada in a usual sales environment during the execution of the experiment. This argument speaks for the external validity of the method.

3.1.4 Questionnaire Development and Measures

A self-applied questionnaire, which was administered jointly to the blind tasting and the bidding process, contained a total of 73 items, which were divided into five parts. For the investigation either questions that have already been applied in previous studies or already tested constructs from the literature were used.

In the first part of the questionnaire general questions about the product and the consumers' involvement with the product like: "How hungry are you right now?", "How much do you like chocolate?" and "How much did you crave the chocolate bar?" were asked (see Wertenbroch and Skiera (2002) for more details). A total of seven items were used to measure face validity and the hedonic measurement described in Chapter 3.1.2 was also in the first part of the questionnaire. Face validity is to be understood as a simplified form of content validity. Content validity refers to the semantic content match between measurement instrument and construct. The central question is whether the results are plausible. A face valid measure in this regard requires a significant positive correlation coefficient with the expressed willingness to pay (Diamantopoulos & Schlegelmilch, 1997).

The second part of the survey constituted the BDM mechanism and related questions on reliability, transparency and acceptability, comprehension and strategic bidding. Reliability addresses the degree of formal accuracy and the size of the random error. The assessment of reliability is both based on an analysis of the differences between daily subsamples and on the basis of a self-assessment of the subjects. For a reliable measurement of willingness to pay it is required, that there is no significant difference in the average bids collected between the subsamples. Due to the randomized allocation of subjects and the exact same experimental setting, any differences would indicate a non-negligible random error (inter-subject comparison). The two items "If I had been given more time to think about the amount to bid, I might have decided differently." and "If I had another chance to make a bid, I would indicate exactly the same amount of money." provide insights into how random the bids were from the subjects' perspective (intra-subject comparison). They are measured on a 7-point Likert-type scale ranging from 1 = strongly disagree to 7 = strongly agree. During the interview, the subjects were verbally informed about the BDM mechanism. The questions "The explanations on the procedure for the lottery were clear and evident for me.", "I am aware that my bid is binding." and "I am aware that I participate in a real buying situation." checked whether subjects had understood the binding (*real*) character of the purchase situation. This stands in contrast to other methods of measuring willingness to pay like CVM, in which merely a hypothetical willingness to pay is specified.¹⁴ It was also examined if the fear

¹⁴ See APPENDIX A: Additional Information for other methods determining WTP in market research.

of winning the auction might have distorted the bids and if subjects speculated on a particularly favorable purchase (“At the moment I don’t want any chocolate. That is why my bid was so low that I did not win the auction.”; “I have speculated on a very low purchasing price.”). A high level of agreement on these two items or a high correlation with the bids would be an indicator of strategic behavior (Schreier & Werfer, 2007).

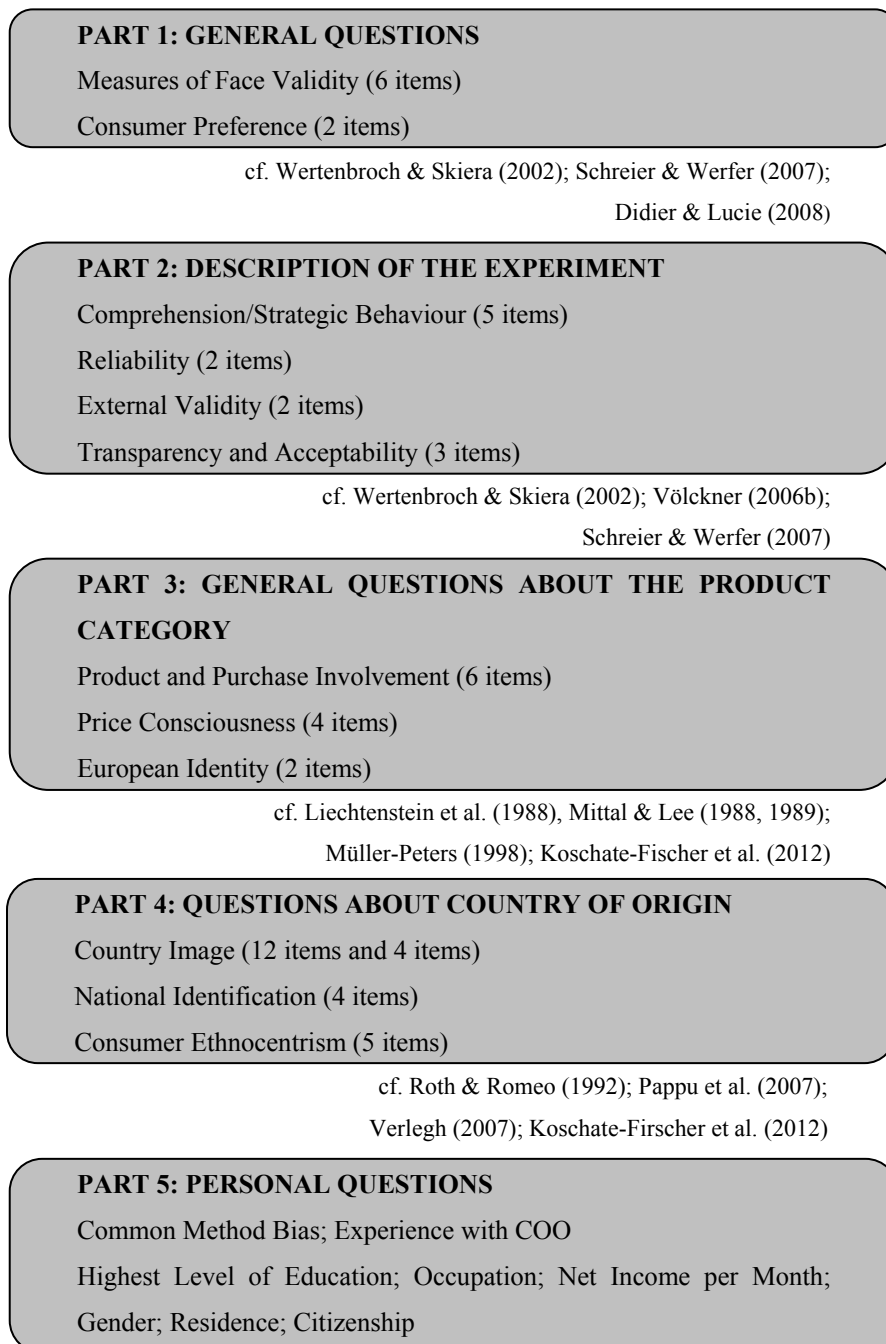


Figure 3.2: Structure of the Final Questionnaire

As shown in Figure 3.2 in the third section of the questionnaire a general inquiry about the *Product and Purchase Involvement*, *Price Consciousness* and *European Identity* was conducted, followed by questions about the country of origin in the forth part. This bloc of questions comprised items on *Country Image*, *National Identification* and *Consumer Ethnocentrism*. General demographic questions concluded the questionnaire.

In this thesis two different scales were used to measure CI. Both scales were chosen because of significant differences in conception identified by Roth and Diamantopoulos (2009). The first twelve items based on Pappu et al. (2007) and measured on a 7-point Likert-type scale ranging from 1 = *strongly disagree* to 7 = *strongly agree* were used. Thereafter four items on a 7-point bipolar semantic differential scale first proposed by Roth and Romeo (1992) were employed. Roth and Romeo (1992) as well as Martin and Eroglu (1993) used student samples, whereas a consumer sample was chosen by Pappu et al. (2007). Martin and Eroglu (1993) and Pappu et al. (2007) concentrated on the development of a concrete CI scale based on current guidelines of measurement theory and employed sound psychometric properties. Roth and Romeo (1992) emphasized the use of single-item measures for each dimension. In contrast to other scales this unidimensionality may not point out subtle differences in consumer perceptions of foreign countries and therefore shows an overall evaluation of the country's image. Their items were accompanied by explanatory sentences to facilitate the respondents' understanding of the meaning of each dimension. For example "the workmanship of products" comprised reliability, durability, craftsmanship and manufacturing quality.

While the topic of *European Identity* has been covered by authors in political science and the European Commission regularly conducts a series of surveys throughout the Eurobarometer, it has to be asserted that no scale to measure EID in the field of marketing has been developed until today. For the purposes of the following empirical study a two-items Likert-type scale, based on Müller-Peters (1998) study on "*the significance of national pride and national identity to attitude toward the single European currency*", has been adopted. Respondents had to answer the questions "I feel more involved in matters relating to other European countries than to countries outside Europe." and "I feel attached to Europe and its people." on a scale ranging from 1 = *strongly disagree* to 7 = *strongly agree*.

The scale to measure CET in this thesis has to be attributed to Verlegh (2007). Operationally, CET is measured by the consumer ethnocentrism scale (*CETSCALE*) (Shimp & Sharma, 1987). This 17-item scale has been refined by Verlegh (2007) and is

used in the following study with 5 items in order to keep the questionnaire at a manageable length. Respondents' attitudes were measured on the 7-point Likert-type scale to seek out respondents likely to display home country bias in their product evaluations, ranging from 1 = *strongly disagree* to 7 = *strongly agree*.

In this thesis NID is measured on a 4 items scale based on Verlegh (2007). Agreement or disagreement is expressed on a 7-point Likert-type scale to the following statements: "Being Spanish means a lot to me.", "I am proud to be Spanish.", "When a foreign person praises Spain, it feels like a personal compliment." and "I don't feel any ties with Spain."

Although Mittal and Lee (1988, 1989) differentiated between product involvement and purchase or brand-decision involvement a combined scale for PI - measured on a product level and a brand choice level - is used in this thesis. PI is measured on a six-item, 7-point Likert-type scale (1 = strongly disagree and 7 = strongly agree). The scale has also been used by Balabanis and Diamantopoulos (2008) in their study on brand origin identification by consumers. A complete list of the items used in this thesis can be found in the questionnaires shown in Appendix B.

The 7-point Likert-type scale used in this empirical study to measure PC is based on Koschate-Fischer et al. (2012). It represents an adapted version of the scale introduced by Lichtenstein et al. (1988) and used by Sinha and Batra (1999). Respondents indicated their level of disagreement (1 = strongly disagree) or agreement (7 = strongly agree) to the following statements: "I usually buy products when they are on sale.", "I buy the lowest priced product that will suit my need.", "When it comes to choosing a product for me, I rely heavily on price." and "Price is the most important factor when I am choosing a brand.". In the experimental design of this thesis chocolate is sold in single units. In relation to price consciousness Manning, Sprott and Miyazaki (2003, p. 370) stated that one can expect respondents "*who are relatively vigilant in paying low prices to be motivated to process unit pricing information, and thus be more likely to develop unit price usage knowledge.*" This might have an effect on bids as highly price conscious participants might calculate with a single unit anchor price. Using a slightly different scale Alford and Biswas (2002) found that while PC, by definition, is about consumers' focus on paying a low price, this focus is at the expense of other consumer judgments. They did not find any effect of price consciousness on buying intention and suggested that PC might rather be related to search intention, because consumers derive emotional value or even entertainment from looking for an even lower price. The results

of the BDM mechanism are therefore interesting to see, as this lottery might provide for respondents - because of the implications of drawing the final purchasing price themselves - such an additional benefit and a possible influence of PC on buying intention might therefore be omitted.

At the end of the questionnaire personal questions about some general demographics (e.g. age, highest level of education; occupation; net income per month; gender; residence and citizenship) were asked. To test against common method bias the questions “*How often have you been abroad in the last year?*” and “*How interested are you in daily politics?*” have been inserted. In addition, respondents had to answer a dichotomous yes/no question about their experience with COO in the cases of chocolate ‘Made in Belgium’ and ‘Made in Poland’ (e.g. Have you ever been to ...).

The questionnaire was first constructed in English and translated to German and Spanish. As translating constructs can be a difficult task and can create misinformation (Craig & Douglas, 2005), the Spanish version of the questionnaire was retranslated into German by a certified translator to find possible discrepancies. The questionnaire was also checked by multiple native Spanish speakers for its comprehension. The final questionnaires can be found in the APPENDIX C: Questionnaires.

3.1.5 Pretests

Two different pretests were conducted in December 2010 and January 2011. On the one hand the chocolate bar best suited for the use in the experimental design had to be determined. On the other hand the questionnaire used in the study had to be tested and possible flaws in the design or the translation had to be eradicated. In December 2010 a blind taste test of a variety of different chocolate bars was conducted to find a chocolate bar that was most suitable for the use in the experiment. Three different milk chocolate bars and two different bars of dark chocolate of different producers were tested. To be able to vary the sequence of the chocolate tasting two sessions with different participants were conducted. In total 32 subjects were required to document an evaluation of the different chocolate bars on a hedonic rating scale shown on a sheet of

paper given to them.¹⁵ The scale translated into Spanish is shown in Figure 3.3. Participants indicated their evaluations by drawing an X on the scale. The indicator was bounded and the product could not be rated outside the boundaries. The indicator did not display any numbers to relate to, though the results were interpreted and measured in centimeters.

Hoja de evaluación de chocolate

Nombre: N° de Identificación:

Chocolate A

No me gusta nada Me gusta mucho

Chocolate B

No me gusta nada Me gusta mucho

Figure 3.3: Example of the Evaluation Sheet used for the Blind Taste Test

It was important to select chocolate bars without any brand markings or shapes so that the test subjects would not be able to guess the original product brand. Due to this restriction the winner of the blind taste testing (Chocolate con Leche – Lindt) could not be used in the experiment and “Chocolate Extrafino con Leche – Hacendado” with a retail price of € .69 was used instead.

Chocolate Extrafino con Leche - superSOL	Chocolate con Leche – Lindt	Chocolate Extrafino con Leche – Hacendado	Chocolate Negro 72 % - Hacendado	Chocolate Negro 70% - Valor
160,3	185,7	168,8	151,6	148,4

Table 3.1: Finale Scores of the Chocolate Bar Blind Taste Evaluation

¹⁵ See Lange, Issanchou, & Combris (2000) or Noussair et al. (2004a) for more examples of the use of this kind of hedonic rating scale.

In January 2011 a pretest of the questionnaire and the empirical study as a whole was conducted in a marketing class at the University of Granada. This pretest consisted of 24 participants, which participated in the blind taste test and were given a ‘Made in the EU’ version of the questionnaire. Even though the translation of the questionnaire was retranslated and checked by a certified translator (*Christiane Neubert, Diplom-Übersetzerin, BDÜ, www.cn-translations.de*) the pretest of the questionnaire showed that the question - “From which country did the chocolate you tasted come from?” translated into – “¿De qué país proviene el chocolate que usted ha probado?” was misleading. 7 participants could not answer this question correctly. Instead the formulation – “¿De donde proviene el chocolate que usted ha probado?” was used in the final questionnaire. This question had to be changed to enhance the validity of this filter.

3.1.6 Sampling Method

To carry out the investigation under the assumption that the respondents had to be attendant in person to be part of the experiment as well as considering the limited resources of the investigator, a convenience sample consisting primarily of students from different faculties in Granada, Spain was used. Although convenience student samples are not strictly representative of the total population they have been successfully used in a variety of marketing studies (e.g. Lee et al. 2003, Verlegh 2007). Yavas (1994) found with respect to COO research, that distinct student-adult similarities emerged. His research showed that both groups had similar attitudes towards made-in labels, that they attached similar levels of importance to various information sources and that they may be appropriately used in scale development. His findings yielded support to Hawkins, Albaum and Best (1977, p. 222) who stated in their study comparing students and housewives that “*for purposes of modeling underlying behavioral processes, students may serve as useful surrogates*”. Craig and Douglas (2005) asserted that convenience sampling provides a quick and cost efficient possibility to achieve a sufficiently high number of responses. Convenience samples form part of non-probability sampling methods, which means that a sampling error can not be measured. The researcher in this case selects the easiest population from which to obtain information. This sampling process can however, as stated above, predict

attitudes towards consumer behavior with equivalent accuracy. Furthermore a comparison of Spanish students and non-students in this research showed neither significant differences in mean price values (see Figure 3.4) nor significant differences in other attitudes towards made-in labels.

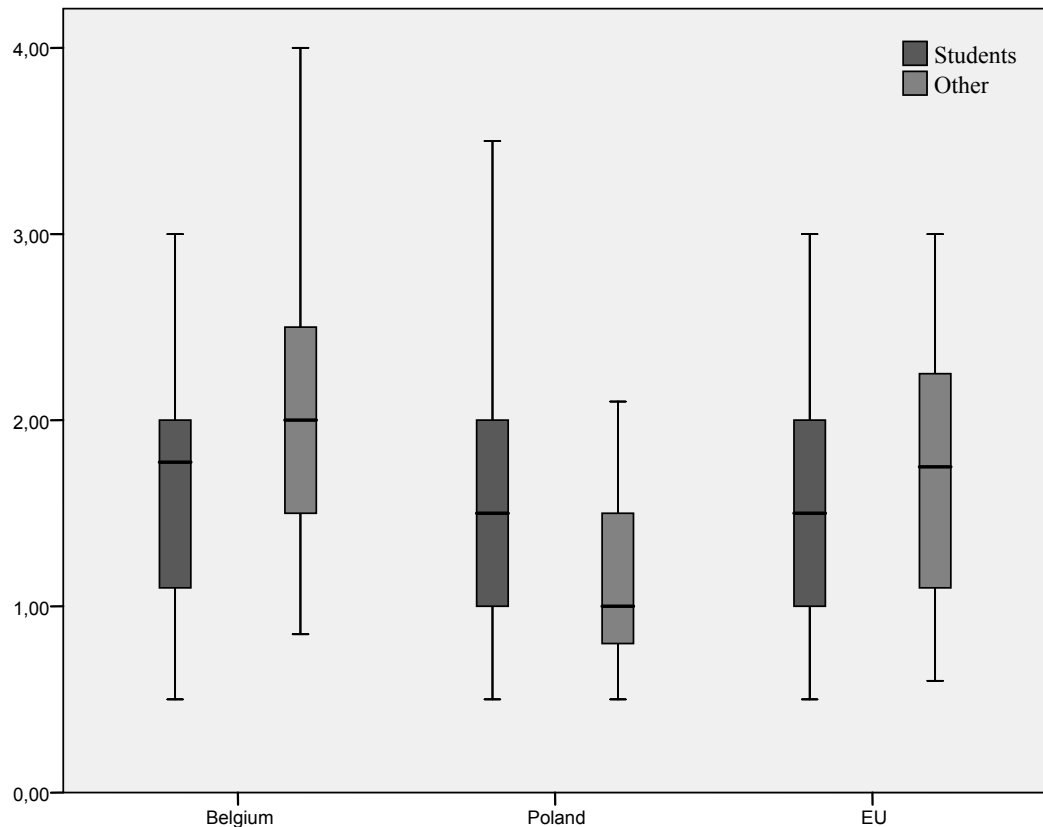


Figure 3.4: WTP of students compared to non-students

3.1.7 Description of the Final Sample

A total of 313 interviews were conducted in January and February 2011. The face-to-face empirical study was either conducted in one-on-one interviews or in small groups of up to 4 people. The probability for the BDM-lottery was always the same as subjects had to draw a randomly determined buying price each time on their own after indicating their final price offer. The experiments were carried out at different locations throughout the city of Granada.

In general hardly anyone approached on university campuses refused to participate in the study. Those who refused did not care for chocolate at all. Everyone who agreed to

participate did so without hesitation and visibly enjoyed drawing the purchase price themselves to learn whether they were eligible to buy the chocolate. Some respondents asked about the range of the possible purchase prices but were content when told that the distribution was reasonable, with prices neither too high nor too low. However from the 313 participants, 12 respondents did not fulfill the purchase obligation and were therefore eliminated from the sample. Two respondents have been eliminated because they did not identify the correct COO, when asked the control question – “From which country did the chocolate you tasted come from?”. 16 respondents were not from Spain and therefore excluded from the final sample.

In the end the final sample (n=283) consisted of 101 subjects participating in a chocolate ‘Made in Belgium’ design setting, 86 subjects evaluated ‘Made in the EU’ chocolate bars and ‘Made in Poland’ was randomly assigned to 96 participants. Table Table 3.2 gives an overview of the characteristics of the sample(s).

Variable	Belgium (n=101)	EU (n=86)	Poland (n=96)	Total (n=283)
Sex (Percent m/f) ^a	51:49	51:49	50:50	51:49
Age (Mean, SD) ^b	22,14 (4,85)	22,79 (4,56)	22,44 (4,51)	22,43 (4,63)
Income (Percent in 3 groups) ^c	81:14:5	85:13:2	78:15:7	81:14:5
Product taste (Mean, SD) ^d	6,19 (1,10)	6,31 (1,17)	5,85 (1,34)	5,61 (1,17)
Product interest (Mean, SD) ^e	4,74 (1,31)	5,02 (1,52)	4,33 (1,79)	4,69 (1,56)

^a χ^2 -Test: $\chi^2 = 0,47$; $p = 0,977$

^b K-S-Tests: Belgium/EU ($p=0,343$); Belgium/Poland ($p=0,995$); EU/Poland ($p=0,755$)

^c Net Income per Month (in EUR); groups: < 500; 500-999; > 999

K-S-Tests: Belgium/EU ($p=1,000$); Belgium/Poland ($p=1,000$); EU/Poland ($p=0,989$)

^d Responses were given on a seven-point scale (1=“ I didn’t like it at all”, 7=“ I liked it a lot”)

K-S-Tests: Belgium/EU ($p=0,999$); Belgium/Poland ($p=0,944$); EU/Poland ($p=1,000$)

^e Responses were given on a seven-point scale (1=“not very”, 7=“very”)

K-S-Tests: Belgium/EU ($p=0,250$); Belgium/Poland ($p=0,011$); EU/Poland ($p=0,048$)

Table 3.2: Characteristics of the Final Sample

The proportion of male subjects was 51%. The average age was 22.43 years. The available monthly net income was for 81% of study participants under 500 EUR, for 14% between 500 EUR and 999 EUR and for 5% higher then 999 EURO. The hedonic valuation of the taste of the chocolate bars was very positive and had a mean value of 5.61 on a seven-point scale ranging from 1=“I didn’t like it at all” to 7=“I liked it a lot”. Also product interest was relatively high with an overall mean value of 4.69. The differences between the three subsamples (‘Made in Belgium’, ‘Made in the EU’ or ‘Made in Poland’) have been checked using a Kolmogorov-Smirnov test and turned out

consistently to be not significant.¹⁶ In terms of general product interest there are no significant differences between the subsamples ‘Made in Belgium’ and ‘Made in the EU’. Differences in the level of willingness to pay among the three subsamples should therefore reflect consumers quality perception of the country-of-origin and not be attributed to sample composition.

3.2 Results

This chapter shows the results of the analysis of the data and investigates the respective hypotheses presented in Chapter 2. 313 interviews conducted in the process of the empirical study provide a basis for all further research. In the next section a preliminary analysis of the data is portrayed. Section 3.2.2 investigates and scrutinizes the BDM procedure used to elicit *true* WTP in this experimental research design. To check the hypothetical assumptions developed earlier a main analysis of the data is conducted. In an effort to find answers for the respective hypotheses and research questions different statistical analyses are conducted. SPSS is used as analytical software and Field (2005) is used as a reference for all calculations.

3.2.1 Preliminary Analysis

Before analyzing the effects of *Regional Designation* on WTP, the data has been screened and some initial analyses have been conducted. In order to get a first insight into the results, descriptive statistics have been calculated, the scales reliability has been tested, means have been compared and an analysis of correlations of the main constructs has been carried out. The results of these calculations are summarized in this section.

3.2.1.1 Data Screening and Descriptive Statistics

In order to get an idea about the data’s distribution as well as to identify outliers - due to possible mistakes in data entry - histograms, i.e. graphs, were plotted to show the

¹⁶ Tests for significant differences were performed here and below, using a Kolmogorov-Smirnov test. Since the normal distribution of the available data could not be detected consistently using a nonparametric test appears to be advisable.

frequency of each value's occurrence. While missing values did not influence the calculations, the graphs did in many cases not present a normal distribution or symmetrical data. Thus normal distribution of the available data could not be detected consistently; using a nonparametric test appeared to be advisable (Field, 2005). The Kolmogorov-Smirnov and Shapiro-Wilk tests provided further support for this finding. However, due to the large sample size, this was only partly considered problematic for further analysis. APPENDIX E: Detailed Results of the Tests of Normality gives an overview of tests of normality, where for example *Consumer Ethnocentrism* of participants in all three subsamples are all significantly non-normal: Belgium, $D(101) = 0.14$, $p < .001$; EU $D(86) = 0.13$, $p < .05$; and Poland, $D(95) = 0.15$, $p < .001$. To exemplify these first results further one can see positively skewed histograms of *Consumer Ethnocentrism* on Figure 3.5. To put these first conclusions in other words, as CET has been measured on a 7-point Likert-type scale, these results show that in general participants of this study did not express strong ethnocentric beliefs.

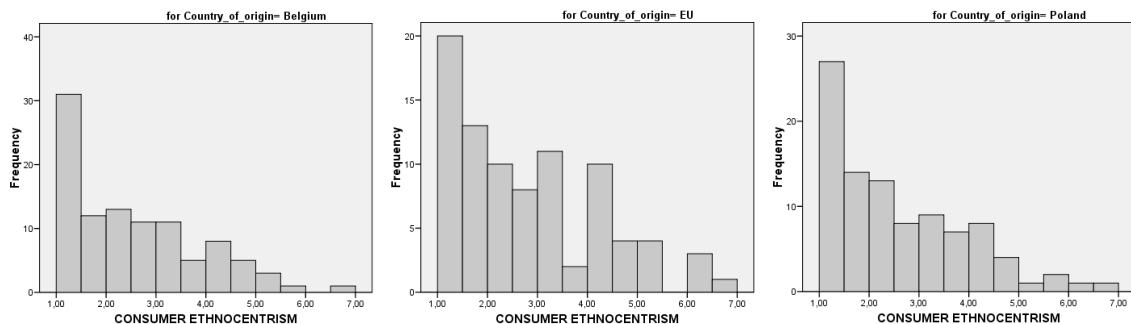


Figure 3.5: Histograms for Consumer Ethnocentrism

The characteristics of the data with regard to valid entries, mean, median, standard deviation and variance are presented in Table 3.3. When comparing the mean value to the median value of each variable, one can see that these values are not identical, a first indication that the data is not distributed symmetrically. Values of skewness and kurtosis were included to demonstrate again the lack of normal distribution of the data. The range of almost all answers goes from 1 to 7. As stated before overall mean values for CET ($M = 2.6$) are very low, whereas the mean values for NID ($M = 5.1$) and EID ($M = 4.7$) are quite high. Differences in evaluation of the general mean values of product involvement ($M = 4.1$), as well as on a product level ($M = 4.9$) vis-à-vis a purchase or brand-decision level ($M = 3.9$) have to be noted. As described in Chapter

2.3.3, product level involvement is the interest a consumer finds in a product class, in the sense of possessing and using a product. In contrast product purchase involvement or brand-decision involvement is the interest in taking a brand selection task.

Scale	Valid	Mean	Median	Std. Deviation	Variance	Skewness	Kurtosis
EUROPEAN IDENTITY	283	4,7067	5,0000	1,52189	2,316	-0,493	-0,381
CONSUMER ETHNOCENTRISM	282	2,5867	2,2000	1,39597	1,949	0,822	-0,013
NATIONAL IDENTIFICATION	282	5,1900	5,5000	1,62847	2,652	-0,752	-0,430
PRODUCT INVOLVEMENT - Product Level	283	4,8587	5,0000	1,53904	2,369	-0,530	-0,589
PRODUCT INVOLVEMENT - Brand Choice Level	283	3,9099	4,0000	1,60004	2,560	0,035	-0,923
PRODUCT INVOLVEMENT - Overall	283	4,0842	4,1111	1,39319	1,941	0,013	-0,711
PRICE CONSCIOUSNESS	283	4,6004	4,7500	1,43236	2,052	-0,380	-0,594

Table 3.3: Descriptive Statistics

Figure 3.6 shows a visualization of these results, measured on a 7-point bipolar semantic differential scale for country image. Roth and Romeo (1992) emphasized the use of single-item measures for each dimension. These results give first insights of consumers' perception of a European origin seal. It is interesting to notice that the 'Made in the EU' image scores the highest on all four dimensions, with extremely high values for "Design" and "Quality". Furthermore mean values for Belgium products are higher than those of Polish products in all four dimensions.

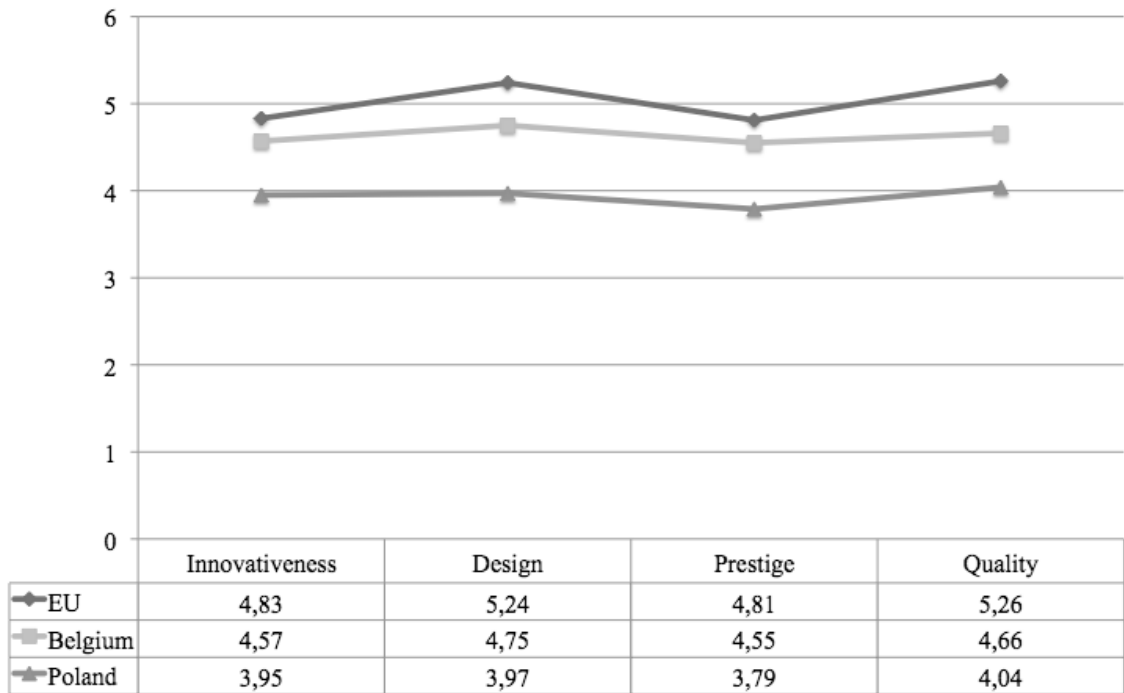


Figure 3.6: Semantic Differential Scale for Country Image (CI)

More detailed statistics are given in Table 3.4. As presented before two different scales have been used to measure CI in this empirical study. Whereas Roth and Romeo (1992) focused on the unidimensionality of there scale, it may not point out subtle differences in consumer perceptions. Pappu et al. (2007) on the other hand used a twelve items scale to measure CI. The overall results of the two scales show little difference. In both cases Europe in general has been rated the highest ($M_{PQC} = 5$, $M_{RR} = 5$), followed by Belgium ($M_{PQC} = 4.5$, $M_{RR} = 4.6$) and Poland ($M_{PQC} = 3.6$, $M_{RR} = 3.9$). In contrast to other variables this data is rather normally distributed and furthermore a standard deviation (ranging from 0.69 to 0.88) indicates that the means could reasonably well represent the data.

Scale	Belgium, Poland or EU	Mean	Median	Std. Deviation	Variance	Skewness	Kurtosis
COUNTRY IMAGE - Pappu, Quester, Cooksey (2007)	Belgium	4,4554	4,4167	0,71686	0,514	0,196	0,242
	EU	4,9719	5,0000	0,87947	0,773	-0,588	1,829
	Poland	3,5995	3,6667	0,74078	0,549	-0,179	0,607
COUNTRY IMAGE - Roth and Romeo (1992)	Belgium	4,6361	4,7500	0,68786	0,473	0,215	0,518
	EU	5,0349	5,0000	0,84380	0,712	-0,153	0,583
	Poland	3,9375	4,0000	0,73449	0,539	0,584	0,824

Table 3.4: Descriptive Statistics of different CI Scales

Furthermore a one way analysis of variance (ANOVA) was conducted to inferentially test if these CI means are in fact significantly different from each other. Detailed results of this analysis can be found in APPENDIX F: ANOVA - Country Image. Notice that the Levene's test is not significant; $F_{\text{Pappu}}(2, 280) = 1.881$, $p = .154$ and $F_{\text{Roth}}(2, 280) = 1.411$, $p = .264$. Thus, the assumption of homogeneity of variance is met (i.e. not violated) for this sample. The mean differences are in fact significant for both scales. Pappu et al.'s (2007) twelve items scale showed for $M_{\text{Belgium}} = 4.46$; $M_{\text{EU}} = 4.97$; $M_{\text{Poland}} = 3.60$; $F(2, 280) = 72.981$, $p < .001$, $MS_{\text{Error}} = 0.605$ and Roth and Romeo's (1992) scale came to the results of $M_{\text{Belgium}} = 4.64$; $M_{\text{EU}} = 5.03$; $M_{\text{Poland}} = 3.94$; $F(2, 280) = 49.928$, $p < .001$, $MS_{\text{Error}} = 0.568$.

To summarize these results, the first data screening showed that participants were highly involved on a product level, which means they care about what chocolate they eat, whereas they did not mind the brand-decision involvement. In general respondents also seemed to be rather price conscious ($M = 4.6$), which is conceptualized by the degree to which the consumer focuses exclusively on paying a low price. Identification with Spain, which reflects, as described before, a desire for a positive national identity created by a need for self-enhancement, was very high ($M = 5.2$). Identification with Europe and its people was also fairly high ($M = 4.7$). *Consumer Ethnocentrism* on the other hand had a very low mean value ($M = 2.6$); this supports the theory by Verlegh (2007) that NID and CET are two different constructs influencing consumer behavior. It is interesting to note that respondents highly valued products from the European Union, followed by a generally very positive CI of Belgium, whereas Poland on average scored the poorest on both scales.

3.2.1.2 Scale Reliability

Cronbach's (1951) alpha coefficient has been calculated to test each scale's reliability (see Table 3.5). In short this test is an equivalent to splitting data in two in every possible way and computing the correlation coefficient for each split. It refers to the internal consistency reliability, which represents the homogeneity of the items within a scale. An internally consistent measure contains items that are highly inter-correlated, because high inter-item correlations suggest that all items are assessing the same underlying concept (Netemeyer, Bearden, & Sharma, 2003). The range of possible values for Cronbach's alpha goes from 0 to 1. Field (2005) judged a value of at least .7-

.8 as acceptable. Representing very reliable scales, in the present empirical study Cronbach's alphas α are above .78 for almost all scales. As mentioned before in the methodological part of this thesis, no scale has yet been developed to measure a European identity. EID is measured with two items and a α -value of .59 suggests that these items should rather be treated separately than recognized as a scale.

Scale	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Country Image ^a	$\alpha = .916$	$\alpha = .921$	12
Country Image ^b	$\alpha = .788$	$\alpha = .789$	4
European Identity	$\alpha = .586$	$\alpha = .588$	2
Consumer Ethnocentrism	$\alpha = .824$	$\alpha = .830$	4
National Identification	$\alpha = .894$	$\alpha = .891$	4
Product Category Involvement	$\alpha = .847$	$\alpha = .848$	3
Purchase Involvement	$\alpha = .874$	$\alpha = .874$	3
Price Consciousness	$\alpha = .830$	$\alpha = .830$	4

^a Country Image based on Pappu, Quester, Cocksey (2007)

^b Country Image based on Roth and Romeo (1992)

Table 3.5: Scale Reliability

3.2.1.3 Correlation Analysis

To complete the preliminary analysis the correlations of all constructs with willingness to pay were calculated¹⁷. A Pearson's product moment correlation coefficient was calculated to measure the strength of association between two variables. A two-tailed test was used, since the direction of the relationship was not predicted, prior to conducting this correlation analyses (Field, 2005). In a first step, correlations for the complete set of data were calculated to get an overview of the relationships in the data set. Detailed correlation tables measuring the strength and direction of the linear relationship between all pairs of constructs can be found in APPENDIX G: Correlation Tables.

¹⁷ The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all (a variable correlated with itself will always have a correlation coefficient of 1).

	Pearson Correlation	Sig. (2-tailed)	Expected Relationship
COUNTRY IMAGE - Pappu, Quester, Cooksey (2007)	,136(*)	0,022	+
COUNTRY IMAGE - Roth and Romeo (1992)	,226(**)	0,000	+
EUROPEAN IDENTITY	0,065	0,278	~
CONSUMER ETHNOCENTRISM	-0,044	0,462	~
NATIONAL IDENTIFICATION	-0,008	0,895	~
PRODUCT CATEGORY - Product Level	-0,070	0,239	~
PRODUCT CATEGORY - Brand Choice Level	-0,006	0,914	~
PRODUCT CATEGORY	-0,018	0,758	~
PRICE CONSCIOUSNESS	-0,056	0,350	-
CONSUMER PREFERENCE	,195(**)	0,001	+

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Table 3.6: Correlations with WTP

As presented in Table 3.6, there appears to be a relation between WTP and both Country Image constructs ($r = 0.136$, $p < .05$ and $r = 0.226$, $p < .01$) and Consumer Preference (“How much did you like the taste of the chocolate bar?”) ($r = 0.195$, $p < .01$), whereas all other constructs did not show any overall significant correlation with WTP. It seems noteworthy that the overall correlations show significant results for NID, EID and CET. NID seems to be positively related to both constructs ($r = 0.311$, $p < .01$ and $r = 0.226$, $p < .05$), whereas no relationship has been found between EID and CET. These results are very interesting with respect to the research questions as they show first evidence that NID and CET are in fact two independent motives that influence consumer preference and that respondents can associate themselves both with Spain and the European Union at the same time. More overall correlations can be found in APPENDIX G: Correlation Tables, showing strong relations of several constructs.

To further investigate the links between the presented constructs and WTP, Pearson’s product moment correlation coefficients were calculated for each country of origin with surprising results. None of the listed constructs seemed to have a correlation to WTP for chocolate ‘Made in Belgium’. Both CI scales ($r = 0.387$, $p < .01$ and $r = 0.348$, $p < .01$) and EID ($r = 0.229$, $p < .05$) are positively correlated with the final price offers for chocolate ‘Made in the EU’. Finally CET ($r = -0.290$, $p < .01$) is negatively related to

the bids for chocolate ‘Made in Poland’. The correlations for NID, EID and CET as put forward in the overall model are also present on a country-wise analysis. NID is positively correlated to EID and CET, whereas there is no significant relation between EID and CET. As for the other constructs one can see that PI is negatively related with PC for Belgium ($r = -0.237$, $p < .05$) and Poland ($r = -0.308$, $p < .01$), whereas no significant results can be found in the European sample.

In conclusion attention should be paid to the fact that correlation coefficients do not indicate the direction of causality. Therefore, even if two variables correlate positively or negatively, no conclusion can be made as to which variable causes change in another. Consequently, further analyses had to be performed (Field, 2005).

3.2.2 Analysis of the BDM Procedure

This section of the thesis deals with the measurement of WTP. The general investigation of the BDM method is based on Schreier and Werfer (2007) who investigated in their paper different methods of measurement for WTP. The distributions of the stated bids are presented in APPENDIX H: Distribution of WTP. A good comprehension of the BDM-method and the prevention of strategic answering are essential steps for quality assurance of this thesis. One can distinguish the internal validity (reliability) and external validity (validity) of experiments, thus reliability and validity are controlled in the subsequent sections.

3.2.2.1 Comprehension of the BDM-Method and Strategic Answering

The first two items queried the strategic behavior of the respondents. Whereas the statement “At the moment I don’t want any chocolate. That is why my bid was so low that I did not win the auction.” (Strategy 1) scored relatively low indicating that the respondents did not mind buying chocolate in an experimental setting ($M_{\text{Belgium}} = 2.93$; $M_{\text{EU}} = 2.72$; $M_{\text{Poland}} = 2.90$), the item “I have speculated on a very low purchasing price.” (Strategy 2) obtained a relatively high level of agreement ($M_{\text{Belgium}} = 4.58$; $M_{\text{EU}} = 4.26$; $M_{\text{Poland}} = 4.57$). However a correlation analysis with the final price offers did not show any significant relation of these items.

In addition, the three questions (see Strategy 3-5 in Table 3.7) with regard to the BDM-Method were examined in order to find out if respondents did in fact understand the

underlying mechanisms that influence this incentive compatible lottery. Altogether, the results show that the procedure was for most of the subjects very clear and understandable (Strategy 3). Strategy 4 and 5 also show that the subjects knew that the final bid was binding ($M_{\text{Belgium}} = 4.59$; $M_{\text{EU}} = 4.07$; $M_{\text{Poland}} = 4.35$) and that they were in fact confronted with a real purchasing situation ($M_{\text{Belgium}} = 4.82$; $M_{\text{EU}} = 4.30$; $M_{\text{Poland}} = 3.95$). Differences between country specific subsamples turned out to be insignificant.

Variable	Belgium (n=100)	EU (n=85)	Poland (n=94)
Strategy 1: At the moment I don't want any chocolate. That is why my bid was so low that I did not win the auction. (Mean, SD) ^a	2,93 (1,44)	2,72 (1,51)	2,90 (1,43)
	(n=100)	(n=86)	(n=96)
Strategy 2: I have speculated on a very low purchasing price. (Mean, SD) ^b	4,58 (1,74)	4,26 (1,93)	4,57 (1,78)
	(n=100)	(n=85)	(n=94)
Strategy 3: The explanations on the procedure for the lottery were clear and evident for me. (Mean, SD) ^c	5,77 (1,31)	5,68 (1,46)	5,72 (1,45)
	(n=101)	(n=84)	(n=95)
Strategy 4: I am aware that my bid is binding. (Mean, SD) ^d	4,59 (1,61)	4,07 (1,76)	4,35 (1,70)
	(n=100)	(n=86)	(n=95)
Strategy 5: I am aware that I participate in a real buying situation. (Mean, SD) ^e	4,82 (1,77)	4,30 (1,90)	3,95 (1,99)

^a Responses were given on a seven-point scale (1="strongly disagree", 7="strongly agree")

K-S-Tests: Belgium/EU (p=0,810); Belgium/Poland (p=1,000); EU/Poland (p=0,985)

^b Responses were given on a seven-point scale (1="strongly disagree", 7="strongly agree")

K-S-Tests: Belgium/EU (p=0,749); Belgium/Poland (p=1,000); EU/Poland (p=0,767)

Correlation with WTP: $r = -0.299$, $p < .01$ for Poland

^c Responses were given on a seven-point scale (1="strongly disagree", 7="strongly agree")

K-S-Tests: Belgium/EU (p=0,906); Belgium/Poland (p=0,992); EU/Poland (p=1,000)

^d Responses were given on a seven-point scale (1="strongly disagree", 7="strongly agree")

K-S-Tests: Belgium/EU (p=0,487); Belgium/Poland (p=0,942); EU/Poland (p=0,744)

Correlation with WTP: $r = 0.228$, $p < .05$ for EU

^e Responses were given on a seven-point scale (1="strongly disagree", 7="strongly agree")

K-S-Tests: Belgium/EU (p=0,455); Belgium/Poland (p=0,007); EU/Poland (p=0,548)

Table 3.7: Strategic Answering

Theoretically subjects should consistently bid exactly as much as they are truly willing to pay for a product at the specific time of the survey (dominant strategy). In other words, any "disturbances" such as strategic behavior should play no role. Even though correlations with WTP can be found for chocolate 'Made in Poland' for respondents speculating with a very low purchasing price (Strategy 2) and for the comprehension of the compulsory binding process (Strategy 4) with products 'Made in the EU', these

findings indicate the theoretical incentive compatibility of this mechanism. Neither understanding nor strategic bidding behavior in general interfered with the empirical results.

Variable	Belgium (n=101)	EU (n=86)	Poland (n=95)
Transparency 1: Has this procedure been confusing for you?. (Mean, SD) ^a	5,55 (1,53)	5,27 (1,75)	4,81 (1,95)
Transparency 2: Is it clear why it is in your best interest to state the exact price you are willing to pay? (Mean, SD) ^b	2,95 (1,73)	3,24 (1,98)	2,86 (1,91)
Acceptability 1: Would you participate in a survey like this again? ^c	97%	98,8%	98,9%
	(n=101)	(n=86)	(n=96)
Result 1: In retrospect would you have bet a higher price to get the product? ^d	60:40	69:31	69:31
	(n=101)	(n=85)	(n=96)
Result 2: Are you feeling happy with the results? ^e	78%	67%	64%

^a Responses were given on a seven-point scale (1="very much so", 7="not at all")

K-S-Tests: Belgium/EU (p=0,880); Belgium/Poland (**p=0,030**); EU/Poland (p=0,328)

^b Responses were given on a seven-point scale (1="not at all", 7="very much so")

K-S-Tests: Belgium/EU (p=0,664); Belgium/Poland (p=0,574); EU/Poland (p=0,821)

^c % "yes" responses

^d "no": "yes" responses in percent

^e % "yes" responses

Table 3.8: Transparency and Acceptability

Respondents have also been asked about the transparency and acceptability of the BDM procedure. Table 3.8 shows that respondents perceived BDM as highly transparent ($M_{\text{Belgium}} = 5.55$; $M_{\text{EU}} = 5.27$; $M_{\text{Poland}} = 4.81$) and acceptable¹⁸; however the procedure seemed quite difficult to understand for most subjects ($M_{\text{Belgium}} = 2.95$; $M_{\text{EU}} = 3.24$; $M_{\text{Poland}} = 2.86$). Even though great effort was put into explaining the procedure and the lottery mechanism, it seems that there still remained insecurities about the optimal bidding strategy. In retrospect between 30 and 40 percent of the interviewees stated that they would have bet a higher price to get the chocolate bar. The discrepancy of stated happiness with the results is interesting to observe; whereas 78% of the people that had tasted the 'Belgian' chocolate stated they were happy, only 67% for chocolate 'Made in the EU' and 64% for Poland felt happy about the outcome of the BDM mechanism.

¹⁸ Over 97% of the respondents across all samples did answer this question positively.

3.2.2.2 Reliability of the BDM Procedure

As part of the reliability analysis the sample was first divided by date into terciles. A comparison of those three subsamples did not show any significant difference. Generally it can be noted that the random error can be considered sufficiently eliminated in all three subsamples. In addition to the analysis of these terciles, two statements “If I had been given more time to think about the amount to bid, I might have decided differently.” (Reliability 1) and “If I had another chance to make a bid, I would indicate exactly the same amount of money.” (Reliability 2) have been introduced to test the reliability (see Table 3.9). Both items received for all three models a high level of agreement (mean values ranging from 3.75 to 4.84 respectively on a 7-point Likert-type scale, the first item has been reversely coded). This argues for a reliable measurement of willingness to pay. In detail, significant difference can be found for respondents evaluating chocolate ‘Made in Belgium’, they agree significantly stronger ($p < .1$) to the question about the reflection time (Reliability 1) than respondents from the European or Polish subsamples do.

Variable	Belgium (n=100)	EU (n=84)	Poland (n=93)
Reliability 1: If I had been given more time to think about the amount to bid, I might have decided differently. (Mean, SD) ^a	3,75 (2,04)	4,57 (1,88)	4,13 (1,84)
	(n=101)	(n=86)	(n=96)
Reliability 2: If I had another chance to make a bid, I would indicate exactly the same amount of money. (Mean, SD) ^b	4,5 (1,80)	4,84 (1,95)	4,7 (1,93)

^a Responses were given on a seven-point scale (1=“strongly agree”, 7=“strongly disagree”; *recoded*)

K-S-Tests: Belgium/EU ($p=0,022$); Belgium/Poland ($p=0,070$); EU/Poland ($p=0,392$)

^b Responses were given on a seven-point scale (1=“strongly disagree”, 7=“strongly agree”)

K-S-Tests: Belgium/EU ($p=0,305$); Belgium/Poland ($p=0,809$); EU/Poland ($p=1,000$)

Table 3.9: Reliability

3.2.2.3 External Validity and Face Validity of the BDM Mechanism

Reliability can be distinguished from the validity of experiments in such way that the former refers to the extent to which differences amongst experimental conditions can be unambiguously attributed to the experimental treatments themselves. The latter is concerned with the generality or generalizability of the observed differences; to what extent can they be generalized to other populations, situations etc. To check the external

validity of the study, the subjects were asked two questions for self-validation. As shown in Table 3.10, both items were measured on a 7-point semantic differential scale ranging from “influenced me greatly” to “did not influence me at all” and “much less” to “much more”. The values indicate a high external validity, with mean values for influence of taste (External 1) ranging from $M_{\text{Belgium}} = 3.18$; $M_{\text{EU}} = 3.94$; $M_{\text{Poland}} = 3.51$ and compare price (External 2) for $M_{\text{Belgium}} = 4.33$; $M_{\text{EU}} = 4.48$; $M_{\text{Poland}} = 3.99$. Moreover, as already described before, none of the variables did correlate significantly with WTP.

Variable	Belgium (n=101)	EU (n=86)	Poland (n=94)
External 1: To what extent has the taste of the chocolate affected your bid. (Mean, SD) ^a	3,18 (1,86)	3,94 (2,00)	3,51 (1,94)
	(n=101)	(n=86)	(n=95)
External 2: Compared to your bid, how much would you pay in a regular business for a comparable bar of chocolate? (Mean, SD) ^b	4,33 (0,79)	4,48 (1,06)	3,99 (0,89)

^a Responses were given on a seven-point scale (1=“influenced me greatly”, 7=“did not influence me at all”)

K-S-Tests: Belgium/EU ($p=0,071$); Belgium/Poland ($p=0,871$); EU/Poland ($p=0,503$)

^b Responses were given on a seven-point scale (1=“much less”, 7=“much more”)

K-S-Tests: Belgium/EU ($p=0,904$); Belgium/Poland ($p=0,606$); EU/Poland ($p=0,102$)

Table 3.10: External Validity

3.2.2.4 Face Validity

In the following face validity is understood as a simplified form of content validity. Face validity is different from content validity, because it refers not to what the test actually measures, but to what it superficially appears to measure. Face validity assesses whether the test “looks valid” to the examinees who take it. The central question is whether the results are plausible with regard to the content. To check the face validity of both product interest and consumer preference each of the items was correlated with WTP. A face-valid measure in this regard stipulates significant and positive correlation coefficients (the higher the product interest or consumer preference the higher the willingness to pay). The correlation analysis however does not consistently deliver the expected positive sign and with regard to the level of significance clear differences are shown. While the price respondents regularly pay (“How much do you normally pay for a chocolate bar?”) has a high correlation coefficient ($r > 0.3$, $p < .01$) with WTP. The frequency of chocolate consumption on the other hand (“How often do you eat

chocolate?") correlates negatively ($r = -0.132$, $p < .05$) with WTP, this means that the more chocolate people buy the less they want to spend. No significant correlation can be observed for the other items summarized in Table 3.11.

	Pearson Correlation	Sig. (2- tailed)	N
How hungry are you right now? / Measures of Face Validity	-0,071	0,236	283
How much do you like chocolate?	-0,060	0,312	282
How often do you eat chocolate	-,132(*)	0,027	280
How much do you normally pay for a chocolate bar? (in EUR)	,530(**)	0,000	263
How much did you crave the chocolate bar?	-0,059	0,324	283
Are you interested in chocolate	-0,047	0,429	281
What is the probability that you will buy chocolate in the next seven days?	-0,049	0,411	283

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Table 3.11: Correlations Face Validity with WTP

Furthermore a comparison of means showed that respondents regularly eat chocolate and pay on average between € 1.76 and € 1.39 for a bar of chocolate (see Face Validity 1 and 2 in Table 3.12).

Variable	Belgium	EU	Poland
	(n=100)	(n=86)	(n=94)
Face Validity 1: How often do you eat chocolate? (Mean, SD) ^a	4,33 (1,46)	4,66 (1,59)	4,07 (1,80)
	(n=93)	(n=81)	(n=89)
Face Validity 2: How much do you normally pay for a chocolate bar? (in EUR) ^b	1,76 (0,98)	1,58 (0,89)	1,39 (0,67)

^a Responses were given on a seven-point scale (1="rarely", 7="very often")

K-S-Tests: Belgium/EU ($p=0,459$); Belgium/Poland ($p=0,450$); EU/Poland ($p=0,137$)

^b K-S-Tests: Belgium/EU ($p=0,129$); Belgium/Poland ($p=0,002$); EU/Poland ($p=0,541$)

Table 3.12: Face Validity

3.2.3 Main Analysis

In this main analysis of the research the hypotheses developed in Chapter 2 are investigated. The overall influence of ‘Made in the EU’ as a *Regional Designation* on WTP is evaluated and country-related, consumer-related or product-related factors influencing consumers’ willingness to pay reviewed. This section starts with an analysis of variance (ANOVA), to find out if mean values for willingness to pay are in fact significantly different.

3.2.3.1 Regional Designation and COO cue

A total of 283 respondents gave valid bids for a chocolate bar. As shown in Table 3.13 the willingness to pay measured by the BDM mechanism varies between € 0.5 and € 5 for chocolate from Belgium, between € 0.5 and € 4.5 for chocolate ‘Made in the EU’ and between € 0.5 and € 4 for Polish chocolate. The mean value for Belgium was € 1.86 (SD: .89), for EU € 1.62 (SD: .79) and for Poland € 1.55 (SD: .68). The cumulative distributions of WTP observed in APPENDIX H: Distribution of WTP show that consumers stick to major price points when asked about their final bid. Between the three countries no significant difference can be observed on a .05 significance level. However a Kolmogorov-Smirnov test between Belgium and Poland showed a significance level of .077 which is very high. Nevertheless these differences in mean willingness to pay are a first indication of different consumer preferences attributed to products from Belgium, the EU and Poland.

Willingness to pay	Belgium (n=101)	EU (n=86)	Poland (n=96)
Mean (SD) ^a	1,86 (0,89)	1,62 (0,79)	1,55 (0,68)
Minimum/Maximum	0,5 / 5	0,5 / 4,5	0,5 / 4

^a K-S-Tests: Belgium/EU (p=0,311); Belgium/Poland (p=0,077); EU/Poland (p=0,961)

Table 3.13: WTP Distribution

Furthermore a one way analysis of variance (ANOVA) was conducted to inferentially test if the obtained means for willingness to pay are in fact significantly different from each other. Detailed results of this analysis can be found in Appendix G. Notice that the Levene’s test is not significant ($F(2, 280) = 2.192$, $p = .114$) at the .05 alpha level for this analysis. Thus, the assumption of homogeneity of variance is met for this sample.

The ANOVA results show $M_{\text{Belgium}} = 1.86$; $M_{\text{EU}} = 1.62$; $M_{\text{Poland}} = 1.55$; $F(2, 280) = 4.081$, $p < .05$, $MS_{\text{Error}} = 0.635$. At this point, the null hypothesis that all three groups' means are equal has been rejected, since $p < .05$. It can be concluded that at least one of the group means is significantly different from the others (or that at least two of the group means are significantly different from each other). Beyond this conclusion – a post hoc follow-up test needs to be concluded to determine which means differ from each other.

Since a significant F value has been found, the strength of association (ω^2) between the independent variable and the dependent variable is measured. Note that the omega square (ω^2) is not a paired effect size and SPSS does not provide omega square values. The strength of association is calculated using the following formula:

$$\omega^2 = \frac{SS_B - (K - 1)MS_W}{SS_T + MS_W}$$

We find $\omega^2 = \frac{5.179 - (3 - 1)0.635}{182.864 + 0.635} = \frac{3.909}{183.499} = 0.02$

This result indicates that the independent variable ('Made-in ...' label) accounts for approximately 2% of the variance in the dependent variable (WTP) for this sample.

Since the assumption of homogeneity of variance was met in this research – Tukey HSD information is considered in the post hoc tests. Significant differences for Belgium ($M = 1.86$) and Poland ($M = 1.55$) with a mean difference of .308, $p < .05$ have been found. Evaluation of the 'Made in the EU' label does not show significant mean differences neither to products from Belgium nor from Poland. The homogeneous subsets table provides an alternative way of computing and displaying the post hoc tests and is considered more appropriate when group sizes are quite different. Groups listed in the same subset are not significantly different.

Hypothesis 1 is therefore supported in a way that *Regional Designation* seems to function as a summary construct for differentiated COO cues. While respondents evaluated the COO cues 'Made in Belgium' and 'Made in Poland' significantly different, the Regional Designation 'Made in the EU' could not be significantly differentiated from neither cue.

3.2.3.2 Country Image

Made in		R ²	adjust. R ²	ANOVA		Coefficients					Hypothesis confirmed
				F-ratio	Sig.		b-values	Standard Error	β	Sig.	
Region	EU	.150	.140	14.790	p < .001	Constant	-.116	.458		not sig.	☒
						CI _{PQC}	.349	.091	.387	p < .001	
COO	BE	.002	-.008	.171	not sig.	Constant	2.091	.565		p < .001	☒
						CI _{PQC}	-.052	.125	-.042	not sig.	
	PL	.001	-.010	.067	not sig.	Constant	1.463	.349		p < .001	☒
						CI _{PQC}	.025	.095	.027	not sig.	

Table 3.14: Linear Regression Analysis CI_{PQC}

Made in		R ²	adjust. R ²	ANOVA		Coefficients					Hypothesis confirmed
				F-ratio	Sig.		b-values	Standard Error	β	Sig.	
Region	EU	.121	.111	11.612	p < .001	Constant	-.030	.491		not sig.	☒
						CI _{RR}	.328	.096	.348	p < .001	
COO	BE	.029	-.019	2.986	not sig.	Constant	.831	.603		not sig.	☒
						CI _{RR}	.222	.129	.171	not sig.	
	PL	.027	.017	2.645	not sig.	Constant	.946	.379		p < .05	☒
						CI _{RR}	.154	.095	.165	not sig.	

Table 3.15: Linear Regression Analysis CI_{RR}

Keeping in mind the mean values for CI_{PQC} ($M_{\text{Belgium}} = 4.46$; $M_{\text{EU}} = 4.97$; $M_{\text{Poland}} = 3.60$) and CI_{RR} ($M_{\text{Belgium}} = 4.64$; $M_{\text{EU}} = 5.03$; $M_{\text{Poland}} = 3.94$) as presented in section 3.2.1 a regression model predicting the relationship between CI and WTP has been calculated. In Chapter 2.3.1 a positive impact of CI on consumers' WTP has been postulated. To test **Hypothesis 2** CI has been entered as the independent variable whereas WTP represents the dependent variable. As Poland's CI has been judged the least favorable, bids for chocolate 'Made in Poland' were rather low, which is in accordance to the second hypothesis. However whereas CI is highest for Europe, people still would pay more for chocolate from Belgium. The results show that CI_{PQC} can account for 15% and CI_{RR} for 12% of the variation in WTP ($R^2_{\text{PQC}} = .150$; $R^2_{\text{RR}} = .121$) for the *Regional Designation* ('Made in the EU'), but has no significance to the COO cues. Further generalized to the total population the percentage drops (adjusted $R^2_{\text{PQC}} = .140$;

adjusted $R^2_{RR} = .111$). The standardized β coefficient ($\beta_{PQC} = .387$; $\beta_{RR} = .348$) is significant ($p < .001$) and positive and the F-ratio is large enough to assure a good model which overall predicts WTP significantly well ($p < .001$). Thus **Hypothesis 2** can be confirmed by the data for *Regional Designation*. However contrary to what was expected by the literature CI did not show any influence on the willingness to pay for chocolate ‘Made in Belgium’ or ‘Made in Poland’.

Hypothesis 2 is only partially supported; the hypothesized positive relationship of CI on WTP can only be confirmed for products with *Regional Designation*.

3.2.3.3 European Identity

Made in		R ²	adjust. R ²	ANOVA		Coefficients					Hypothesis confirmed
				F-ratio	Sig.		b-values	Standard Error	β	Sig	
Region	EU	.052	.041	7.651	p < .05	Constant	1.014	.293		not sig.	☑
						EID	.123	.057	.229	p < .05	
COO	BE	.001	-.009	.059	not sig.	Constant	1.932	.306		p < .00	☑
						EID	-.012	.062	-.024	not sig.	
	PL	.000	-.01	.000	not sig.	Constant	1.556	.208		p < .00	☑
						EID	-.001	.044	-.002	not sig.	

Table 3.16: Linear Regression Analysis EID

A measurement of EID is presented in Section 2.3.2. The construct reflects the identification with Europe. *Regional Designation* in the form of a ‘Made in the EU’ OM should therefore lead to higher WTP for products labeled in this way. As put forward in **Hypothesis 3b** the construct should however not affect WTP for products from Belgium or Poland.

The linear regression analysis of EID reveals that both hypotheses for this relationship prove to be true. First EID accounts for 5% of the variation in WTP for *Regional Designation*. The R^2 value for EID on a European level however is with .052 very small. The standardized β coefficient ($\beta = .229$) is positive and significant ($p < .05$) and the ANOVA yields significant results ($p < .05$) with an F-ratio large enough to indicate a good fit of the model. Second no significant influence of EID on the price can be found for the COO cues Belgium or Poland.

Hypothesis 3a is supported; the hypothesized positive relationship of EID on WTP can be confirmed for products with *Regional Designation*.

Hypothesis 3b is supported; the results show that no significant relationship can be found for EID and labeled ‘Made in Belgium’ or products labeled ‘Made in Poland’.

3.2.3.4 Consumer Ethnocentrism

Ethnocentric consumers differentiate between in-groups and out-groups in such a way that they favor products from their own country and disapprove products from foreign countries. They feel a moral obligation to buy domestic and are prejudiced against imports. The hypothesized relationship that due to European integration CET would lead to higher WTP for European products can not be confirmed by the linear regression model. Likewise CET did not significantly influence WTP for Belgian products. However a significant ($p < .001$) negative relation between CET and WTP for Polish products has been proven. The R^2 value with .084 translates into the result that 8% of the variation of WTP can be accounted to CET. The standardized β coefficient ($\beta = -.290$) is negative and significant and the F-ratio indicates a good fit of the model.

Made in		R ²	adjust. R ²	ANOVA		Coefficients					Hypothesis confirmed
Region				F-ratio	Sig.		b-values	Standard Error	β	Sig	
EU		.009	-.003	.741	not sig.	Constant	1.480	.185		$p < .001$	☒
						CET	.051	.059	.094	not sig.	
COO	BE	.002	-.009	.149	not sig.	Constant	1.797	.187		$p < .001$	☒
						CET	.026	.066	.039	not sig.	
	PL	.084	.074	8.522	$p < .01$	Constant	1.912	.142		$p < .001$	☒
						CET	-.144	.049	-.290	$p < .01$	

Table 3.17: Linear Regression Analysis CET

The results illustrate that **Hypothesis 4a** and **Hypothesis 4b** have to be rejected.

Hypothesis 4c is supported by the linear regression model. Stronger *Consumer Ethnocentrism* (CET) will indeed lead to lower WTP for products labeled ‘Made in Poland’.

3.2.3.5 National Identification

Made in		R ²	adjust. R ²	ANOVA		Coefficients					Hypothesis confirmed
Region				F-ratio	Sig.		b-values	Standard Error	β	Sig	
EU		.011	.000	.963	not sig.	Constant	1.350	.288		p < .001	☒
						NID	.052	.053	.106	not sig.	
COO	BE	.000	-.010	.029	not sig.	Constant	1.905	.270		p < .001	☒
						NID	-.009	.052	-.017	not sig.	
	PL	.000	-.011	.020	not sig.	Constant	1.350	.276		p < .001	☒
						NID	-.052	.048	-.015	not sig.	

Table 3.18: Linear Regression Analysis NID

National Identification is what consumers identify with in a country and is characterized by a multidimensional construct consisting of a range of social, religious, cultural and historical elements. It reflects the desire for a positive national identity, created by a need for self-enhancement. The linear regression analysis of NID showed that none of the speculated hypotheses about its influence on WTP are significant. These results support the existing literature on NID and prove **Hypothesis 5b** to be correct. **Hypothesis 5a** has been rejected, as the hypothesized relationship between NID and *Regional Designation* can not be found.

3.2.3.6 Consumer Preference

Variable	Belgium	EU	Poland
	(n=99)	(n=84)	(n=92)
Consumer Preference: How much did you like the taste of the chocolate bar?. (Mean, SD) ^a	5,72 (1,12)	5,52 (1,24)	5,57 (1,17)

^a Responses were given on a seven-point scale (1="I didn't like it at all", 7="I liked it a lot")
K-S-Tests: Belgium/EU (p=0,999); Belgium/Poland (p=0,944); EU/Poland (p=1,000)

Table 3.19: Consumer Preference

Measurement of consumer preference prove that on average the flavor of the chocolate bar is rated very positive (M = 5.61). A Kolmogorov-Smirnov test showed no significant differences in subsamples. This means that respondents generally enjoyed the taste of the chocolate bars in the blind taste testing of the empirical study, which in turn supports the findings of the pretest and provides a good base line for further

investigation. Also as all respondents tried the same chocolate, this is a further indicator that differences in WTP can be contributed to the perception of *Regional Designation* and COO cues.

Testing the relationship of CP and WTP, yields quite satisfying results for products with *Regional Designation* and products labeled ‘Made in Poland’. For European products the ANOVA is statistically significant ($p < .05$) and the F-ratio is large enough to assure a good model fit. However the low R^2 value of .071 drops to .060 when generalized to the total population. The b-value and the standardized β coefficient ($\beta = .266$) are positive and significant at a .05 level. Polish products exhibit statistically significant ($p < .01$) ANOVA and a good model fit. The R^2 value of .078 in this case drops to .068 when generalized to the total population. The b-value and the standardized β coefficient ($\beta = .280$) are positive and significant at a .01 level. No significant results can be examined for Belgian products.

Made in		R^2	adjust. R^2	ANOVA		Coefficients					Hypothesis confirmed
				F-ratio	Sig.		b-values	Standard Error	β	Sig	
Region	EU	.071	.060	6.266	$p < .05$	Constant	.686	.388		not sig.	☒
						CP	.172	.069	.266	$p < .05$	
COO	BE	.003	-.007	.289	not sig.	Constant	1.619	.476		$p < .01$	☐
						CP	.044	.082	.055	not sig.	
	PL	.078	.068	7.656	$p < .01$	Constant	.631	.342		not sig.	☒
						CP	.166	.060	.280	$p < .01$	

Table 3.20: Linear Regression Analysis CP

Hypothesis 6 is partially supported by the linear regression model. Higher CP has a positive impact on WTP for products with *Regional Designation* and products labeled ‘Made in Poland’. No significant relationship has however been proven for products labeled ‘Made in Belgium’.

3.2.3.7 Product and Purchase Involvement

Linear regression analysis predicting the relationship between PI and WTP reveals no significant relationship between these two variables. The standardized β coefficient is not significant for either *Regional Designation* or COO cue. The F-ratios are just above or below than the suggested minimal threshold of 1 (Field, 2005) and also statistically

insignificant. Thus, *Hypothesis 7* cannot be confirmed by the data. In the present study CI is no antecedent of WTP.

Made in		R ²	adjust. R ²	ANOVA		Coefficients					Hypthesis confirmed
Region				F-ratio	Sig.		b-values	Standard Error	β	Sig	
Region	EU	.008	-.003	.706	not sig.	Constant	1.409	.266		p < .001	
						PI	.051	.060	.091	not sig.	
COO	BE	.010	.000	1.017	not sig.	Constant	2.147	.297		p < .001	
						PI	-.068	.068	-.101	not sig.	
	PL	.004	-.006	.387	not sig.	Constant	1.671	.204		p < .001	
						PI	-.030	.049	-.064	not sig.	

Table 3.21: Linear Regression Analysis PI

3.2.3.8 Price Consciousness

In the same way that the previous hypothesis did not show and significant results, *Hypothesis 8* cannot be supported. First the R² values of this model are very small, ranging from .000 to .019. Second the results prove to be insignificant as does the ANOVA. These results indicate that PC does in no way explain the dependent variable WTP in the experiment at hand.

Made in		R ²	adjust. R ²	ANOVA		Coefficients					Hypthesis confirmed
Region				F-ratio	Sig.		b-values	Standard Error	β	Sig	
Region	EU	.008	-.004	.656	not sig.	Constant	1.832	.275		p < .001	
						PC	-.047	.058	-.088	not sig.	
COO	BE	.000	-.010	.001	not sig.	Constant	1.871	.363		p < .001	
						PC	-.002	.073	-.003	not sig.	
	PL	.019	.009	1.841	not sig.	Constant	1.822	.211		p < .001	
						PC	-.060	.044	-.139	not sig.	

Table 3.22: Linear Regression Analysis PC

4. DISCUSSION

In the preceding chapters a research model and hypotheses were formulated in the context of an elaborate literature review in the fields of ‘Made in ...’ labels, COO, *Regional Designation* and the measurements for WTP; the methodology of the empirical study was presented and its results were displayed. We have learned what influence the label ‘Made in the EU’ as a *Regional Designation* has on WTP and what other country-related, consumer-related and product-related factors might influence consumers’ observed purchase intentions. Consequently it has been shown how important it is to measure the price related consequences of consumers’ evaluation of products. This chapter will focus on the discussion and evaluation of the variables and the outcome of the empirical research conducted in Spain. The main focus of the research was to get insights about how much consumers are *truly* willing to pay for a product with a ‘Made in the EU’ OM in a point of purchase situation. While the findings led support to some of the postulated hypotheses, this chapter will further explain a possible conceptualization of *European Identity*.

The most important characteristic of this research was the experimental design of the empirical study. Several aspects have to be noted in this regard. First using an incentive compatible measurement instrument, the Becker, DeGroot, and Marschak’s (1964) procedure, has allowed this research to make deductions about consumers’ willingness to pay in real buying situations. Many researchers studied COO effects, but investigated these effects on a hypothetical level and hence questioned if the results would hold under actual purchase condition (e.g. Kraxner 2010, Stöttinger & Penz, 2011). Second the use of a fictitious brand delimited the influence of brand-image effects on consumer evaluation. The brand image of a product or service has been identified as an important signal for the price consumers are willing to pay. In a study D’Astous and Ahmed (1999) for example found that salesmen most often use quality and brand reputation in their sales pitches to attract customers to buy their products and evaluated COO information as the least helpful sales tactic. In contrast the authors found in the same study that consumers ranked the origin-cues as most important for their purchase decision. The researchers came to two possible conclusions: first that COO becomes an important cue for consumers whenever it is made available to them at the time of product evaluation, second that consumers use brand names as a proxy for COO, which

would explain why they do not attach (in the abstract) great importance to the latter information. Consequently perceived brand image was controlled in this thesis by designing a fictitious packaging; the experimental condition should provide a focus on the research question at hand about the influence of *Regional Designation*. Third, as the same chocolate was used in all three ‘Made in ...’ conditions, differences in WTP should therefore not reflect differences in taste or quality of the chocolate bars, but rather the - possibly unconscious - associations with the country the chocolate came from.

As anticipated in the methodological outset the empirical analysis of *Regional Designation* vs. COO cues in this thesis showed differences in the judgment respondents attached to the image of Belgium, Poland and the EU. Measuring CI on two different scales (Roth and Romeo, 1992; Pappu et al., 2007) provided concurrent results ranking Europe ($M_{RR} = 5.03$, $M_{PQC} = 4.97$) the highest, followed by Belgium ($M_{RR} = 4.64$, $M_{PQC} = 4.46$) and Poland ($M_{RR} = 3.94$, $M_{PQC} = 3.60$). This rank order however has been disproved when it came to actual WTP for products from these countries. With respect to **Hypothesis 1** the results show that a Polish COO cue (‘Made in Poland’; $M = 1.55$, $SD = .68$) yields the lowest willingness to pay. *Regional Designation* (‘Made in the EU’; $M = 1.62$, $SD = .79$) has elicited a higher price and has in turn been topped by products with a Belgian COO cue (‘Made in Belgium’; $M = 1.86$, $SD = .89$). Further analysis of the average WTP in this study has shown no significant differences between consumer evaluation of chocolate from Poland and the EU or Belgium and the EU respectively. However, significant differences in price offers for Belgian and Polish chocolate have been detected. This in turn provides evidence for the conceptualization of *Regional Designation* as a summary construct. However this concept has to be further investigated as the antecedents analyzed and proven in this study account only for a small part of the total variance of WTP. Before a deeper discussion of the results of this thesis is conducted, it seems to be appropriate to shed light on a related topic that would have gone beyond the scope of this specific research. While testing for differences in price consumers are willing to pay - assuming that these differences represent a substantial factor in product evaluations - at some point the line had to be drawn at the extend to which to inquire about the deeper motivation of European identification and associations respondents project into *Regional Designation* in form of a ‘Made in the EU’ origin sign. Therefore a summary on the construct of a European identity is given on the next pages.

A BRIEF ASIDE: EUROPEAN IDENTITY

At this point it seems appropriate to discuss the perception of *European Identity*. The outcome of this thesis has in fact touched on this related topic and raised further questions. Has the European Union inspired a feeling of collective identity that in turn influences consumers to buy European products and increases their willingness to pay? How deep are the trenches between *National Identification* and identification with Europe? Can European and national identities go together? The following pages present a side note on the current state of the science.

Tajfel (1978) explained in a general definition of *Social Identity* that an individual's self-concept is resulting from the social relationships and the social groups he or she participates in "*that part of an individual's self-concept which derives from his knowledge of his membership of a social group (or groups) together with the value and emotional significance attached to that membership*" (p. 63).¹⁹ Self-concept comprises all the thoughts, feelings and perceptions an individual holds about his 'self' (Reed, 2002). Membership to a group has both value and affective significance. Tajfel's notion of *Social Identity* dealt with identification and categorization of groups. The perception of an individual in-group value provides a significant part of one's own evaluation of self-worthiness. In this way the intergroup relations theory (Tajfel and Turner, 1979) describes the kind of relationships between in-groups (those groups to which the individual has social ties and identifies himself) and out-groups (groups to which the individual does not have a sense of belonging and which he/she sometimes may even see as a competitor/adversary). In this way national identity can be defined as a special form of social identity composed of a number of interrelated components such as ethnical, cultural, territorial, economic and legal-political, all of which link the self with a specific country as an in-group (Smith 1991). This social identity serves not only to categorize the individual but also to give a key aspect of meaning to the individual's sense of 'self'. Nevertheless scholars held differing views in what this identification process should refer to, ranging from centering social identity within the individual self-concept; in relation to others; as identification of the self with a group; or as

¹⁹ For an in-depth explanation of *Social Identity Theory* and the concept of *Social Identity* as a way of explaining intergroup behavior see: Tajfel, 1978; Tajfel, 1982; Tajfel and Turner, 1986)

identification with a collective and therefore the collective norms, values and ideologies (Brewer, 2001).

Müller-Peters (1998, p. 703) considered *Social Identity Theory* suitable to explain *European Identity* because “(1) comparison with the out-group and (2) emotional involvement” are fulfilled. The author states that, “the integration of groups which until now have considered themselves autonomous can trigger processes of comparison with the out-group”. In this way the European Union can be seen as a higher-level category into which certain nations are integrated, especially through comparison of economic convergence and comparative media coverage of other nations. Notably in questions of everyday life and with respect to the use of a common currency Müller-Peters believed that the second precondition - emotional involvement - is also met.

Smith (1992) specified that in the past gender, age, clan and tribe were the most important units of identity, these possibilities of identification have multiplied and while gender and age preserve their importance, societies have stratified. Therefore numerous possible cultural identities like social class, religion, status and professional background have grown in number and scale. While Smith implied that “national identification has become the cultural and political norm, transcending other loyalties in scope and power” (p. 58), he recognized that individuals have multiple identities and that “these identifications may reinforce national identities or cross-cut them.” (p. 59). Smith emphasized the difference between individual and collective identification; the former being used situational if not optional and the later tending to be pervasive and persistent. Cederman (2001) proposes four analytical perspectives on supranational identity formation: *Ethnonationalism*, *Postnationalism*, *Pannationalism* and *Bounded Integration*. Based on an essentialist view some scholars employ ethnonationalism and nationalism interchangeably with reference to an emotional power and historical depth of long-standing traditions. A nation in this sense is developing a life of its own that has to be nurtured, protected and rendered effectively. Whereas essentialists oppose superseding nationalism, constructivists see power of technological advances on the primacy of politics and the succession of postnationalism. Even though essentialists are often associated with nation-states, there is no logical reason why a culture-driven approach could not extend beyond the borders of contemporary states. Cederman noted that “such a pannationalist approach tends to reify families of cultures in organic terms” (p.15). Conscious policymaking and political mechanisms form the basis of bounded integration and therefore a stable institutional equilibrium. The next figure

shows the four approaches in relation to the European boundary formation.

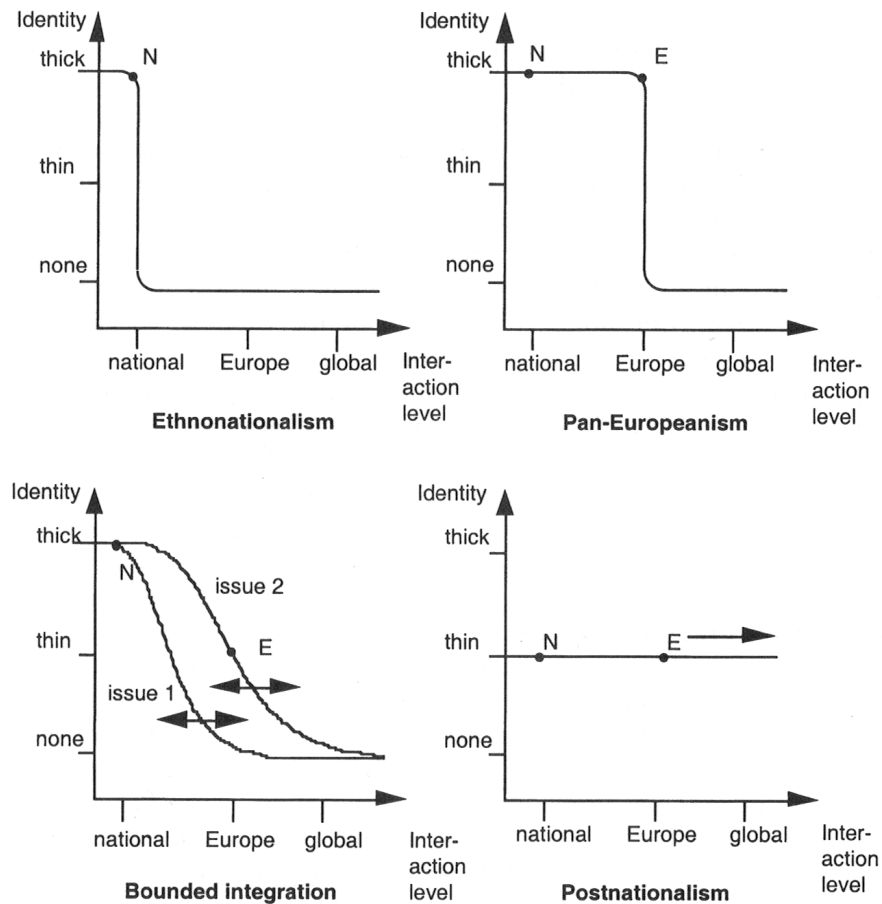


Figure 4.1: Four approaches to European Boundary formation

Cederman (2001), p. 18

While some scholars have argued that collective identity has lost its meaning in the post-industrial world, Benigni and Triandafyllidou (2003, p. 24) acknowledged that *“increasing attention has been paid to the possible existence or emergence of a European identity and also to the complementarity or opposition between feelings of attachment to Europe or the EU and national identity”*. They further portrayed an image of individuals living in societies with respect to the potentially conflicting context of national, regional and supra-national identity *“that are increasingly globalised but also increasingly fragmented. As a result, hybrid identities that include local or national traditions and allegiances intertwined with global cultural patterns emerge”* (p. 25).

As a consequence of European integration, Cinnirella (1997) predicted that national and

European identities undergo transformation. His study showed a clear qualitative difference in identity construction; while Italian respondents construed Italian and European identities as compatible, British perceived a need to choose between a British and a European identity.

Depending on the context in which people find themselves, different identities can become salient. For example, one can disclose one's identity to be Viennese, when visiting friends in other Austrian cities, identify with Austrians when playing football against Germany and European when interacting with Americans. As proposed by Risse (2010), postulating that European and national identities can go together is in this way not controversial. Risse challenged the way multiple identities can be conceptualized and specified that identities can be framed completely *separate*, *cross-cutting*, *nested* or *blend into* one another. For example, when people hold their professional life *separate* from their personal life, they can identify with two distinct social groups at the same time. Identification with Europe can be described as *cross-cutting* when members of one social group can also identify with another group, in the same way that members of the European Parliament (MEPs) express a sense of belonging to Europe and to their political party groups. Like Russian Matryoshka dolls or concentric circles, identities can be *nested* one inside the next. However, in this model there is a certain kind of hierarchy between people's regional, national and supra-national identity, with certain identities being more salient than others. Survey data show that smaller communities can be distinguished at the core as the primary sense of belonging, which are part of larger communities at the identity periphery. This 'onion model' is also the basis for the Eurobarometer surveys, when people are asked whether they identify with 'nation only' with 'nation and Europe', with 'Europe and nation' or 'with Europe only'. Risse (2010, p. 25) stated that multiple identities "*might actually blend into one another or intertwine.*" In this case we can speak of a 'marble cake' model where various components of one's identity are very hard to separate (from each other). Accordingly Risse cited in this context the way feminist theorists coined description of 'intersectionality', which means that various categories of oppression such as gender, race, or class and the identity constructions that are related to them cannot simply be added on, but are intertwined and at least partly mutually reinforcing. Consequently Risse emphasized the consistency of the 'marble cake' model with a lot of empirical evidence and provided a comparison to the fact that the European Union is comprised of different sovereign nations, whereby a *European Identity* should be conceptualized as

the collective intertwined identities of these nations.

In the opinion of George Herbert Meads *European* means that in spite of distinctive nationalities, connecting social attitudes and reactions to certain social situations form the basis of the geographical and normative Europe. This seemingly nondescript *European Identity* is from Meads point of view the peoples in Europe, the common occidental tradition, the common Christian norms and values, and not least the common history in all its forms. According to Mead's idea, even the wars in Europe ultimately led to the accelerated unification of the peoples (as cited in Soric, 1996, p. 105).

Kleine, Schulz Kleine and Kernan (1993) linked in their paper *Social Identity Theory* to consumer psychology and showed that social identities are multifaceted. Related to product choice the authors explained that: “(a) *products relate functionally to people through one of their specific identities, and only indirectly through their global or overall self; and (b) the salience or importance of an identity to people drives them to enact its behavior, using identity-associated products*” (p. 210). This means that it is important to distinguish which identity is activated and that an overall sense of self is composed of identities with scaled importance.

According to Forehand et al. (2002) identity salience describes a “momentary activation of a particular social identity” (p. 1087); salient identities stand out from other identities in some kind of time-limited top-of-mind awareness. Consequently McCall and Simmons (as cited in Stryker & Serpe, 1994, p. 17) described a certain hierarchy of salience, which implies that the higher an identity ranks the more salient it is. While identities change in rank for various reasons, it is very unlikely that more than one identity simultaneously places on the top (Moingeon, 2002). Social distinctiveness and priming are the most important triggers of identity salience (Forehand & Deshpandé, 2001). Comparing France and Germany, Schild (2001) emphasized that neither the national nor the European identity should take precedence over one another. Instead “individuals should be able to shift – according to changing situations or different political issues – between different frames of reference of their identification” (p. 335f.) Thomas Risse introduced two questions to the discussion of - *What does it mean to be European?* - ‘who is us?’ questions the composition of group identity and ‘what is us?’ tried to get to the core of the content of group identity (2003, p. 16) and suggested that the specificity of social identities should be examined as empirically measurable dimensions rather than as parts of the definition (2010). Also Breakwell (2004) pointed out that Europe at the moment cannot offer an all-encompassing inclusive identity to its

member citizens and lacks a highly unique and specific set of identity characteristics. Risse (2003) suggested dividing the discussion of *European Identity* into cultural components of identity, including history, ethnicity, civilization, heritage and other social similarities; and civic components, like the identification of citizens with a certain political structure such as the EU. Paul Howe (1995) also criticized the idea of cultural homogeneity as the basis of European identification. Rather than cultural homogeneity, which is not an essential building block of any community, the idea of a shared destiny and shared lessons from the past wars will sprout Europeanness over time. Risse (2003) turned attention to the fact that while the Eurobarometer data showed most identification with Europe in terms of cultural identity, the EU has in fact become predominant in the civic dimensions. Soric (1996) portrayed the same development of shared ideas with respect to a “logic universe” of European symbols such as the European flag, the European anthem as well as other symbols of European unification to the point of common identifiers like EU or EP. For Calhoun (2001) a coherent and consistent European behavior from one context to the next formed the basis of European identification. *European Identity* is not founded within a common image of a continent, or mere differing stylistic similarities vis-à-vis American or Japanese cars, rather than being based on internal cultural similarity and external cultural distinction.

Having considered all the work done in the different disciplines, further research is needed to answer the question: “What is a European identity?” It has been highlighted by sociologists that EID is different from NID and that it is made up of various dimensions. However these dimensions and the influence of *European Identity* towards the willingness to pay for *Regional Designation* and European products remain as of yet unknown. Moreover further effort has to be made to advance the conception of a marketing measure for European identification. In the course of the global economic crisis and considering its impact on the *eurozone*, new transformation processes are going to be in motion. These shifts in European policy making will challenge the achievements of European integration and might give rise to the creation of new stereotypes and dissociation.

As presented in Chapter 3.2.1 the experimental research method and follow up questionnaire, administered to a conveniences sample of 313 respondents, showed in fact that identification with Spain, which is reflected, as described before, by a desire for a positive *National Identification* created by a need for self-enhancement, was very

high ($M = 5.2$). Identification with Europe and its people was also fairly high ($M = 4.7$). *Consumer Ethnocentrism* on the other hand had a very low mean value ($M = 2.6$). Correlation analysis showed significant results for these constructs. NID seems to be positively related to both constructs ($r = .311, p < .01$ and $r = .226, p < .05$), whereas no relationship has been found between EID and CET. These findings support the theory by Verlegh (2007) that NID and CET are actually two different constructs influencing consumer behavior. In addition they carry Risses (2010) notion of a ‘marble cake’ model, that the European Union is comprised of different sovereign nations, whereby EID should be conceptualized as the collective intertwined identities of these nations. The research results show that association with a nation state and with the European Union does not have to be exclusive. The relationship found in this study between the different constructs are illustrated Figure 4.2 for products ‘Made in Belgium’. The dotted lines represent correlations of the different constructs. The subsequent investigation on the hypothesized influence of these constructs on WTP for this subsample resulted in the discovery that none of the listed constructs seemed to have a relation to WTP for chocolate ‘Made in Belgium’.

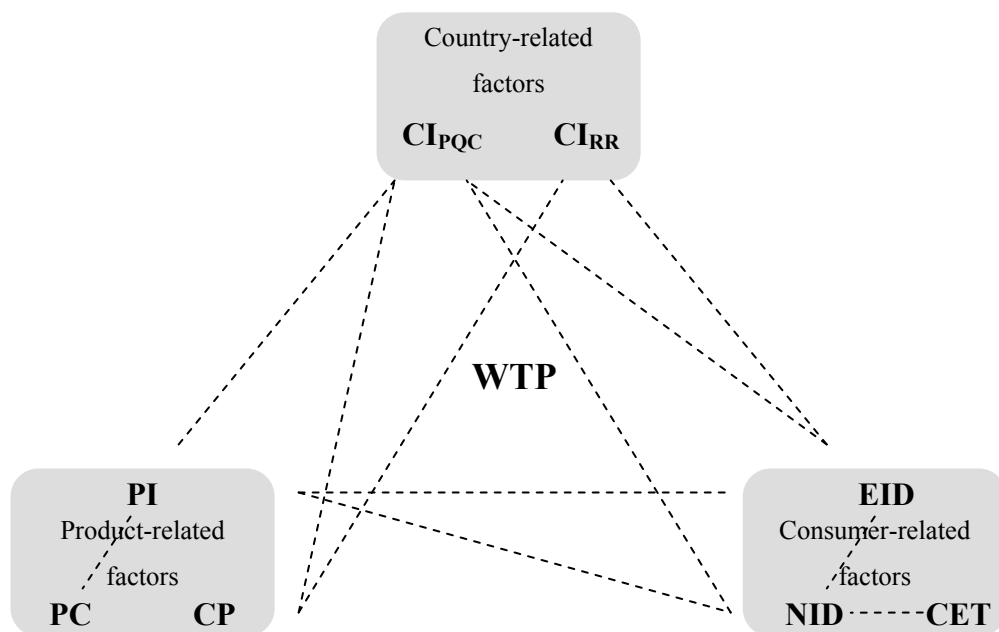


Figure 4.2: Actual Findings from the Present Empirical Study on Belgian COO cue

Existing studies attested high levels of reliability and validity for the BDM mechanism (Wertenbroch & Skiera, 2002; Kaas & Ruprecht, 2006, Schreier & Werfer, 2007).

Further review of this method used in the field of COO research may therefore have important implications for practical decisions (e.g. pricing of new products) and use of this lottery method in business as well as in academia. An examination of the quality criteria: understanding, strategic answering, reliability and validity showed that the method was generally well understood. Even though great effort was put into explaining the procedure and the lottery mechanism, it seems that there still remained insecurities about the optimal bidding strategy. In retrospect between 30 and 40 percent of the interviewees stated that they would have bet a higher price to get the chocolate bar. The discrepancy of stated happiness with the results is interesting to observe; whereas 78% of the people that had tasted the 'Belgian' chocolate stated they were happy, only 67% for chocolate 'Made in the EU' and 64% for Poland felt happy about the outcome of the BDM mechanism. These numbers could have to do with a feeling of buyer's remorse; in addition, these findings underscore the importance of a careful explanation of the bidding mechanism prior to the application of the method. Only in this way can *a priori* be guaranteed, that the theoretical advantages of this method fulfill empirical expectations (i.e., that subjects understand the dominant strategy and actual use this strategy to win the lottery and in turn state their *true* willingness to pay). Reliability analysis shows that the random error is sufficiently eliminated from the measurement method. The external validity of the method has been checked and showed that BDM is a reliable and valid instrument to measure willingness to pay. The face validity of the method was checked and showed that the price respondents regularly pay ("How much do you normally pay for a chocolate bar?") had a high correlation coefficient ($r > 0.3$, $p < .01$) with WTP and the frequency of chocolate consumption on the other hand ("How often do you eat chocolate?") correlated negatively ($r = -.132$, $p < .05$) with WTP. One can interpret this test result to the point where, the more chocolate people buy the less they want to spend.

An important limitation of this study is nevertheless that no clear statement about the absolute level of the *true* willingness to pay can be made. Whether and by how much, the measured willingness to pay over- or underestimated the *true* WTP, still remains unanswered (Schreier & Werfer, 2007). Because incentive compatibility can not be proven empirically, the values of the external validity seem to be particularly relevant from a practitioner's point of view. Restrictively one has to admit that the assessment of external validity in this paper is based on self-assessment of the subjects. Thus it probably only holds in addition to other measurements, that prove a high and reliable

degree of external validity. Actual behavior in other situations (e.g. real purchasing situation in the business world) would be a more reliable indicator than fictitious experiments. Besides it should further be examined whether alternative methods for measuring willingness to pay (CVM or Vickrey auction) would lead to the same results. Future research that sheds light on these aspects in more detail could make an important contribution to the application of reliable methods for the measurement of WTP. Many price-related business issues could consequently be holistically addressed.

Both CI scales ($r_{PQC} = .136$, $p < .05$ and $r_{RR} = .226$, $p < .001$) and CP ($r = .195$, $p < .001$) are positively correlated with the final price offers. Comparison of the detailed results conducting a linear regression analysis showed that CI_{PQC} accounts for 15% and CI_{RR} for 12% of the variation in WTP ($R^2_{PQC} = .150$; $R^2_{RR} = .121$) for the *Regional Designation* ('Made in the EU'), but has no significance to the COO cues in the present studies. **Hypothesis 2** is therefore only partially supported. Both scales were chosen in this experimental research design for their differences in conception identified by Roth and Diamantopoulos (2009). The findings in the current study come somehow surprising as they are contrary to COO literature. CI is defined as the overall perception consumers' form of products from particular countries (Roth and Romeo, 1992). The research at hand cannot prove any influence of this perception for Belgian or Polish chocolate on WTP. It is even more surprising that consumers seem to rate *Regional Designation* ($M_{RR} = 5.03$, $M_{PQC} = 4.97$) highest on this scale compared to Belgium ($M_{RR} = 4.64$, $M_{PQC} = 4.46$) and Poland ($M_{RR} = 3.94$, $M_{PQC} = 3.60$), a possible explanation for these results are that consumers draw on experience in their home country and use *Regional Designation* as a summery construct for the quality of a good or service 'Made in the EU'.

As stated before no scale to measure EID in the field of marketing has been developed, the results presented in this study prove promising that EID in fact has an influence on WTP for products with *Regional Designation*. The linear regression analysis presented in the previous chapter showed that EID accounts for 5% of the variation in WTP for *Regional Designation* in this study. The standardized β coefficient ($\beta = .229$) is positive and significant ($p < .05$) and the ANOVA yields significant results ($p < .05$) with an F-ratio large enough to indicate a good fit of the model. No significant influence of EID on the WTP can be found for the COO cues Belgium or Poland. **Hypothesis 3a**, **Hypothesis 3b** and **Hypothesis 3c** have therefore been supported in this study. All actual

findings of the study at hand for product with *Regional Designation* are presented in Figure 4.3. The strong arrows in this Figure represent significant influences of the antecedents on WTP, whereas correlations of other constructs are symbolized by dashed lines.

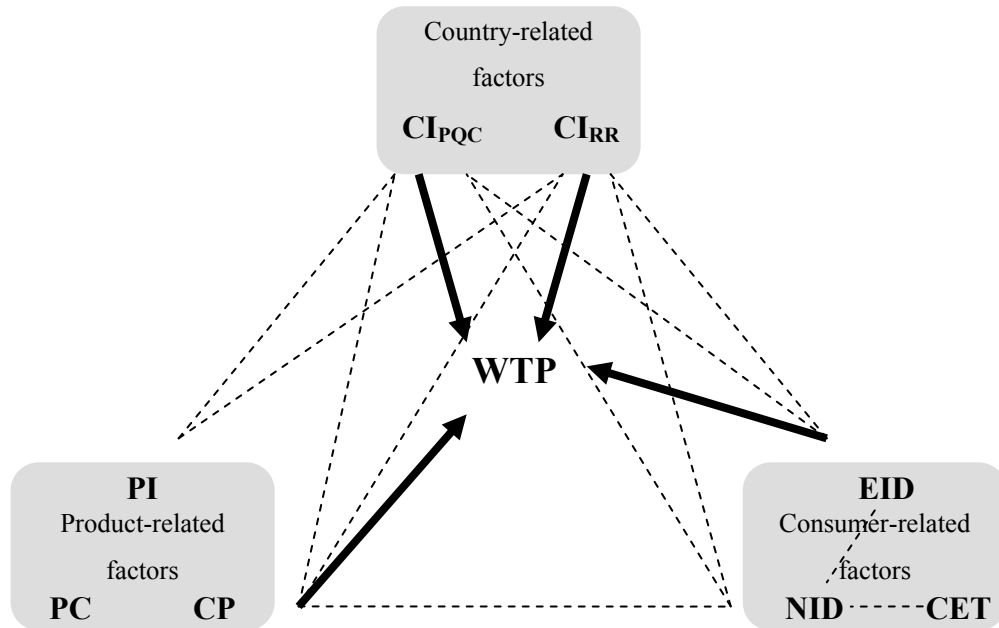


Figure 4.3: Actual Findings from the Present Empirical Study on *Regional Designation*

Purchasing imported products for ethnocentric consumers is perceived as wrong, inappropriate and immoral; because they believe it harms the domestic economy, increases unemployment and is unpatriotic (Shimp & Sharma, 1987). The hypothesized relationships of CET on WTP for *Regional Designation* and products ‘Made in Belgium’ can not withstand testing. **Hypothesis 4a** and **Hypothesis 4b** have therefore been rejected. *Regional Designation* therefore is not associated with the domestic economy and does not lead to the hypothesized outcome. However CET ($r = -0.290$, $p < .01$) is negatively correlated to the WTP for chocolate ‘Made in Poland’ in the current study. The R^2 value of a linear regression analysis translates into the corresponding result of 8% of the variation on WTP. **Hypothesis 4c** is confirmed by these results and presented in Figure 4.4. The relationship of CET and low bids for Polish chocolate could be explained by Carvalhos (2005) definition of CET as the enduring feeling of superiority towards other nations as well as the defensive behavior towards one’s nation. It therefore represents the belief that it is inappropriate to buy foreign products

because this might hurt the domestic economy (Shimp & Sharma, 1987). However the same effect could not be detected for products ‘Made in Belgium’, it rests in this sense to be explained why Poland seems to be more threatening to the Spanish economy.

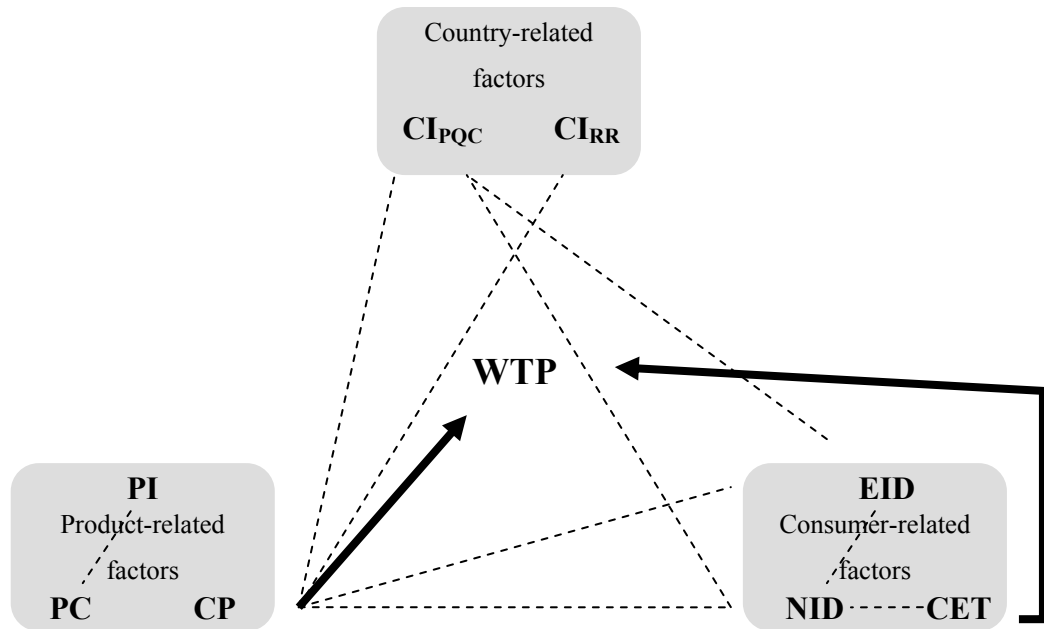


Figure 4.4: Actual Findings from the Present Empirical Study on Polish COO cue

NID has been defined by Verlegh (2007) as “*the desire for a positive national identity, created by the need for a positive evaluation of the self.*” (p.367). While CET first and foremost represents an economic motive to prefer the home county based on protectionism, *National Identification* is what consumers identify with in a country and is characterized by a multidimensional construct consisting of a range of social, religious, cultural and historical elements. The linear regression analysis of NID showed that none of the speculated hypotheses about its influence on WTP were significant. **Hypothesis 5a** has therefore been rejected, as the hypothesized relationship between NID and *Regional Designation* can not be found. The results support the existing literature on NID and prove **Hypothesis 5b** to be correct.

Consumer Preference expressed by the participants of this research on a hedonic rating evaluating the taste of the chocolate, proved to be quite high with mean values ranging from $M_{EU} = 5.52$ to $M_{BE} = 5.72$. It has to be noted with respect to CP that the same chocolate was used for all experimental conditions in this research. A similar method to determine WTP for organic and Fair Trade products was used by Didier and Lucie

(2008). Testing the relationship of CP and WTP, proved to be significant for products labeled ‘Made in the EU’ and products labeled ‘Made in Poland’, with an adjusted R^2 value of .060 and .068 respectively. No significant results can be examined for Belgian products. **Hypothesis 6** is therefore only partially supported, the hypothetical relationship of CP on WTP holds therefore for *Regional Designation* and the Polish COO cue, but has no significant influence for the Belgium COO cue.

Subsequently no significant relationship for PI or PC could be established by a linear regression analysis. **Hypothesis 7** and **Hypothesis 8** have therefore been rejected.

To summarize these results, concern has to be expressed that, while price related influences have been discovered by the empirical study, a huge proportion of influences on consumers’ WTP could not been detected by the model at hand. This has been shown by rather small R^2 values of the significant analyses. This investigation all the same showed differences in the perception of Europe as a whole compared to other member states and its price related consequences. The research project further demonstrated the need for a measurement of European identification and further research to look into the conceptualization of Europe not only from a theoretical, but rather in experimental context. The influence of *Regional Designation* in the form of a ‘Made in the EU’ label on WTP has been proven with regard to CI, EID and CP and country-related, consumer-related or product-related factors on consumers’ WTP have been scrutinized.

5. CONCLUSION

The work at hand has made an effort to provide a first insight into the influence *Regional Designation* in the form of ‘Made in the EU’ might have on willingness to pay. It portrayed how Spanish consumers generally react to such an OM and what amount of money they are willing to pay in a real point-of-purchase situation. Given the vast body of existing research on COO, in contrast to the widely unknown perception of the ‘Made in the EU’ origin sign, the present study was deliberately kept general. In this regard this thesis should function as a first stepping stone – it has been shown, that in fact differences in the images of countries and products in relation with Europe exist - and a possible foundation on which to build future studies has been build.

To achieve this goal, a model based on the existing literature has been created. A total of 8 hypotheses have been derived from the research questions and tested under experimental research conditions. In addition, a comprehensive descriptive analysis of the legal implications of a possible introduction of a ‘Made in the EU’ OM has been conducted. Moreover the concept of *European Identity* was first introduced in the context of international marketing. While it has been shown, that the amount consumers were willing to pay, is significantly different for Belgian and Polish products; WTP for European products does not differ significantly from either of these individual countries. Even though Europe’s perceived CI ranks highest, this positive image cannot be translated to advantages in actual pricing or be generalized for products with a European OM. These findings support tendencies to create - through legislation, political engagement or information campaigns - a unique positioning of European products as a quality leader and to make in this way the underlying quality perception of products with *Regional Designation* salient in a point of purchase situation.

It is interesting to note for managerial purposes, that while a significant negative effect on WTP for Polish products with regard to CET has been confirmed, no negative antecedents on *Regional Designation* have been found in this research. For product managers operating in the *Common Market* these findings could prove to be very useful in determining developing new labeling practices and pricing strategies. Nevertheless further research is needed to draw any final conclusions, but the demonstrated results of this thesis provide evidence for the possible success of *Regional Designation*.

Origin marks and ‘Made in ...’ signs remain a highly disputed topic in the European

political context. In response to Samiee (2010) the findings of this research contradict his statement specifically mentioning ‘Made in the EU’, that the absence of mandatory COO labeling is an indication of the irrelevance of COO research. Even though a ‘Made in the EU’ label is not yet in place, consumers did associate a specific image with European chocolate. In conclusion the available results have outlined that the introduction of stricter rules for OM would provide consumers with the confidence to recognize their quality expectations in OM seals. The analysis of various legal aspects has shown, that while the European parliament and various consumer and public interest committees strongly encourage stricter regulation on OMs, quality signs and labeling practices in general; these proposals are often rejected on a European level as they are opposed by intensive lobbying and political intervention of industrial, business and trade associations. The results of this thesis can be interpreted in a way that instead of taking actions against transparent labeling practices, businesses would profit from an engagement for such recognition as consumers would be willing to pay more for products with OM. In this respect also advertisers and salesmen would profit from knowledge about where products are actually designed, assembled or produced as this awareness would make COO information more relevant during the selling process. Implications for global marketers, who believe that COO is a salient attribute of their products, can further be drawn as they should consider promoting the origin of their products directly to consumers, rather than relying on general public media.

The findings of this thesis however remain highly specific for a certain product category and in a specific national context. Qualitative research should therefore be conducted to examine, which product categories are most frequently associated with Europe and if these findings hold with regard to different product categories. In addition, it would be interesting to compare the collected values to those for Spanish products as well as extend the comparison on other European countries. An analysis of different nationalities of the respondents and the influence of other *National Identities* on the assessment of a *European Identity* remain open. The influence of EID on WTP for products with *Regional Designation* has been supported by the research at hand. Further Research could be extended with respect to the influence of labeling practices not only on a national and supranational level, rather than on a regional or local level. As differentiation of nations within the European Union through strict national borders dissolve, new community-creating effects could be observed.

Subsequently, the introduced hypotheses were tested. Some of the proposed

consequences on consumers' WTP of country-related, consumer-related and product-related factors have been proven to be significant for products labeled 'Made in the EU' and 'Made in Poland'. However none of the theoretical antecedents of WTP could be proven for product labeled 'Made in Belgium' in this thesis. The literature overview confirmed that price has in fact a sustainable impact on profits. The results of this work show consistent to Völckner (2006b), further research is needed to analyze the formation process of WTP in general and in real purchase situations in particular. The theoretical discussion showed that this area of research is still relatively unexplored. Concerning WTP measurements the results of the present study should be compared with other measurements instruments, especially in relation to the external validity. It has to be admitted that the BDM method used in this experimental design is extremely demanding; not only for the researcher, but as well as for the participants. This is proven in the available study as subjects, given the possibility to calibrate their stated price preferences, still found it difficult to understand the dominant strategy and to actually use this strategy to win the lottery. For theoretical advancement in the field of marketing this kind of experimental research proves of importance as it allows to reassess already gained knowledge about WTP in point-of-sales purchase conditions. With regard to the time and effort needed for such an experiment; it should further be examined whether alternative methods (CVM or Vickrey auction) would show similar results, while the complexity could be reduced. For example, for a product manager who wants to set the price for a new product, on the basis of the average willingness to pay of the intended target group, the implications would be the same, while costs could be cut using alternative methods.

As stated before further research is needed related to the formation of *European Identity*. Work should be done across different disciplines of research, as the various dimensions EID could be build up of, are as of yet not defined. Especially in the light of the global economic crisis and its impact on the *eurozone*, new transformation processes are going to be in motion. Research on EID would provide a better understanding of what *holds Europe together* and counteract the creation of new stereotypes and dissociation.

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7. APPENDICES

APPENDIX A: Additional Information

7.1 COO Mode of Action and Effect Models

The area of COO research can be further differentiated into cognitive, affective, and normative COO effects on preference (Verlegh & Steenkamp, 1999). Depending on the paradigm, between two - cognitive and affective (Liefeld, 1993)²⁰ - or three - cognitive, affective and normative (Johansson, 1989; Obermiller & Spangenberg 1989; Verlegh & Steenkamp, 1999) – effects on preference have been differentiated. Whereas normative aspects relate to personal and social norms regarding the purchase and use of products from a particular origin, affective aspects transmit feelings or emotions that are evoked by the place of origin and cognitive aspects refer to the beliefs that are associated with the geographic origin of a product (Verlegh & van Ittersum, 2001).

The following Figure 7.1 provides a schematic overview of the different effects. The individual components of the model require a brief explanation. As part of the cognitive process, the country of origin has an effect on the overall assessment of a product through the perception of other product characteristics (eg, the perceived reliability or durability of a product). This cognitive inference process is influenced by individual difference factors and situational factors. Individual difference factors represent the constraints on any inference process for example the individual knowledge of the country of origin. A situational factor can be the perceived heterogeneity of the product group, the country brand heterogeneity, the clarity of the OM or the availability of other information. Bypassing this cognitive processing, the affective and normative processes determine preference or purchase intention for a product with less interference from external factors. Both processes are also influenced by the clarity of origin information. For example with products that are manufactured in several countries and where the consumer is aware of this fact, the overall country-of-origin effects will be very low. Affective reactions to an origin cue can occur where the consumer has emotional reservations, although the product is from a country known for its high quality (e.g.

²⁰ For a general overview of cognitive and affective effects on preference, see Zajonc & Markus (1982).

Muslims and Israeli products). Finally, normative processes are observed, which may be induced by "buy domestic" campaigns. The model of Obermiller and Spangenberg demonstrates the major processes involved in the processing of country of origin information and contains some important predictors of country-of-origin effects, but must be concretized for further empirical verification. The individual models - cognitive, affective and normative – are explained in detail in the following sections.

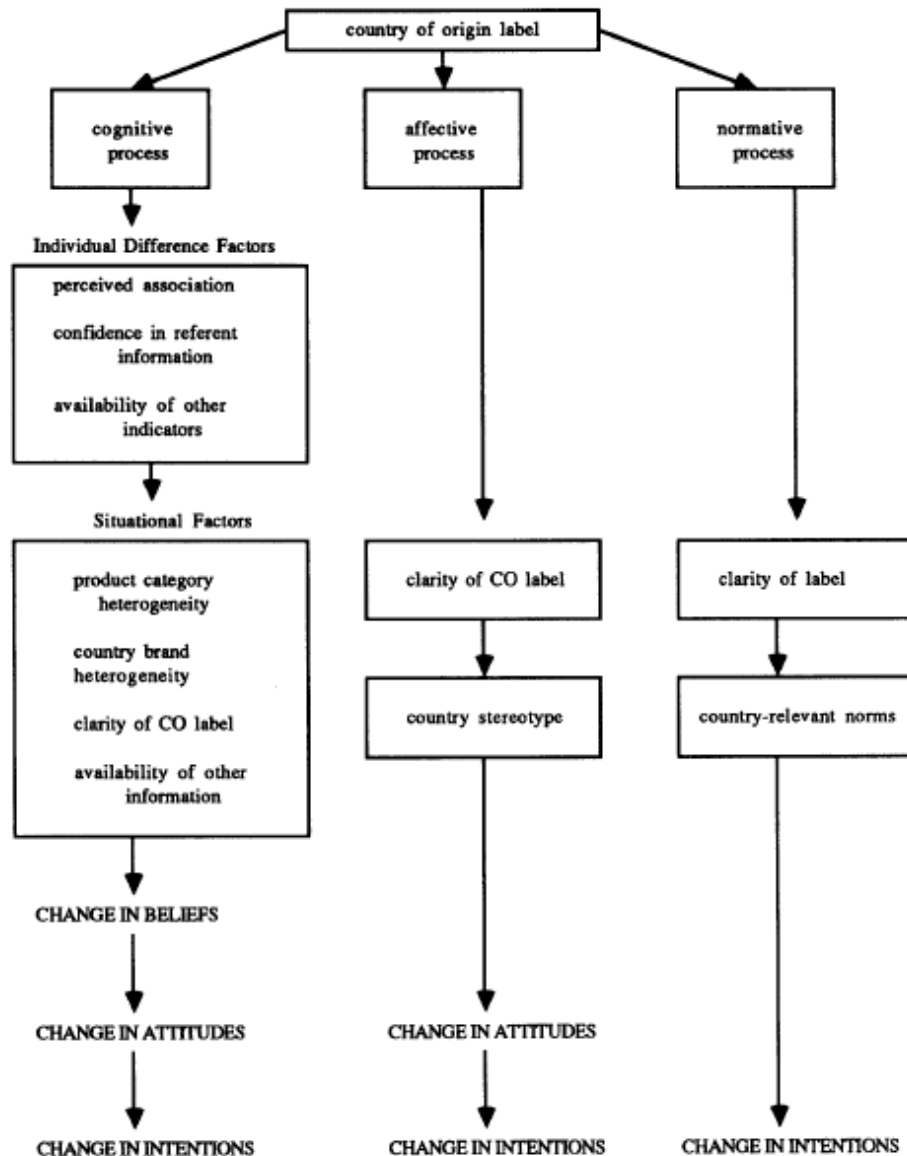


Figure 7.1: A Theoretical Framework for Country-of-Origin Effects

Obermiller & Spangenberg (1989), p. 456

7.1.1 Cognitive Model

In the food industry for example a direct assessment of the benefits of different alternatives is often difficult before purchase. Therefore the consumer tries to simplify - stereotypes are built and categories of thought are formed. A decision is thus taken easier and faster (Miller, 1956; Steenkamp, 1989). Whereas the way a product is presented – its vividness, clarity and intensity increases the likelihood that it will be noticed by customers – can be influenced by the retailer or producer, the relevance of a cue for the decision making process is determined by its predictive and confidence value. The predictive value of a cue is defined by the extent to which it is a good indicator for the benefit of a product. Confidence value is the extent to which consumers feel confident in their ability to evaluate a specific cue (Verlegh & van Ittersum, 2001). A high predictive value nonetheless does not necessarily mean that the consumer uses this cue in the purchasing decision. Its use rather depends on the consumers' subjective assessment of his ability to judge the cue. As a result consumers use dominant, striking individual properties in order to infer a single idea on the overall quality of a product. This approach leads to cognitive relief, because the mental effort is kept low. Among others Verlegh and Steenkamp (1999) found the impact of geographic origin on consumer product evaluations to be substantial. Through this cognitive effect one can explain why the evaluation of a product's quality is always also influenced by the country-of-origin of the product. Two divergent thought patterns – halo and summary effects - were discovered and confirmed by studies in relation with cognitive effects on preference and country-of-origin (Hong & Wyer, 1989; Nebenzahl et al., 1997; Ahmed Johnson, Yang, Fatt, Teng, & Boon, 2004), which will be elaborated in the following sections.

7.1.1.1 Halo Effect

Han (1989) stated that in the absence of sufficient information or experience for quality assessment, consumers fall back on other more or less relevant features. The country-of-origin can for example represent such an indicator variable.²¹ The image of a country

²¹ In a similar way price also acts as a surrogate, see Huber & McCann (1982); Rao & Monroe (1989).

can therefore influence one or more other product characteristics, if the consumer does not know much about the quality of a country's products before purchase (Bilkey & Nes, 1982, Laroche, Papadopoulos, Heslop, & Mourali, 2005). Especially with foreign products, consumers are likely to use this kind of indirect evidence to evaluate products and brands, because of their little knowledge of the product's attributes. In the same way Johansson et al. (1985, p. 388) stated that: *"favorable or unfavorable experience with products or brands from a specific country may color evaluations of other products or brands from that country."* In support of the halo view, the authors concluded that the country image does affect the evaluation of product attributes, but not the general assessment of a product (Johansson et al., 1985). This statement coincides with the findings of Erickson et al. (1984) who found out that the country image impacts consumers' evaluation of specific attributes rather than their overall evaluation of the product. The halo effect is portrayed in Figure 7.2. Based on this interpretation of the COO effect, it is a logical consequence that with an increase in familiarity with a product the influence of country of origin is decreasing (Johansson et al., 1985).

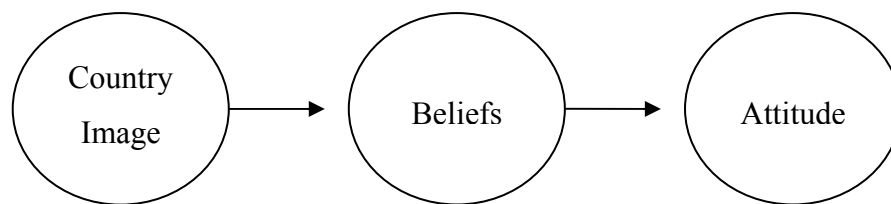


Figure 7.2: Model of the Halo Effect

Han (1989), p. 224

Essentially, any higher level (general) image may function as a halo for understanding objects at a lower hierarchical level. Papadopoulos (1993) portrayed the example of Löwenbräu a German beer brewery that promoted its beer with the slogan: "Tastefully engineered in Germany." This kind of advertisement makes reference to an image of Germany as a country known for its qualities in engineering.

7.1.1.2 Summary Construct

As stated before the halo argument suggests that when consumers are familiar with the product category, their decision should no longer be based on indirect evidence such as country of origin of the product. Several study results however do not seem to favor this

argument. Findings by Johansson et al. (1985) and Johansson and Nebenzahl (1986) point to an increase in the use of country of origin information when product familiarity is high, which evidently contradicts familiarity-based explanations.

To reconcile his findings, Johansson (1989) proposed that the country image could play the role of a “summary” variable. According to this construct - depicted in Figure 2.5 - consumers use the country-of-origin cue as a simplifying summary statistic of products’ attributes. For example, information about brands from a specific country is stored in the form of product reviews. In evaluation of a new brand from this country the existing assessments will be used. Because it is easier for a customer to store information into higher order units or “chunks”, individual elements are abstracted (Miller, 1956; Simon, 1974). This is also a form of cognitive relief as more information processing is bypassed with a mental abbreviation. Johansson (1989) described this further as a good explanation for the positive interaction between product familiarity and the use of country of origin cue in product evaluation. He explained that *“people with more prior knowledge will have more relevant information on a country and will feel more comfortable about using it than others”* (p. 54). Papadopoulos et al. (1990) also used summary variables as a partial explanation of the results from their eight-country study.

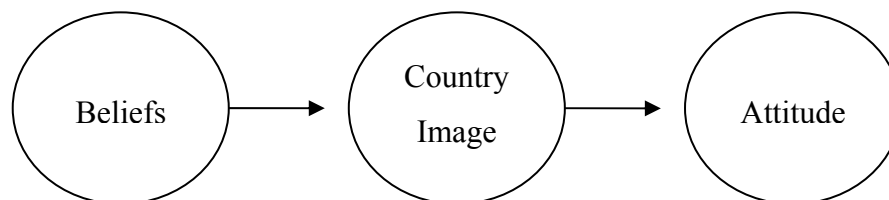


Figure 7.3: Model of the Summary Effect

Han (1989), p. 224

To sum up the summary construct is used by experienced consumers, where a certain degree of familiarity already consists. In contrast to deduction implied by the halo effect, consumers infer abstractions of product information into the country image. Subsequently CI - instead of indirectly affecting a product through an attribute rating - directly influences consumer attitudes towards a brand of a certain country.

To stick to the illustration of German engineering this means that any lower-level (specific) image may help to create a summary view of the next-up level of abstraction (Papadopoulos, 1993). To exemplify this model one could ask why the German company Vaillant showed in its publicity for boilers German cars on the backdrop.

German cars helped to build the image of German engineering (a summary construct). A consumer may have had positive experience with German cars and has therefore concluded that Germany provides products of very high quality. Consequently, supported by this kind of publicity the consumer can assume that the untried Vaillant boiler will also be of high quality. Josiassen, Lukas and Whitwell(2008) provided a similar example with German lawnmowers.

7.1.2 Affective Model

In addition to cognitive elements, affective components play an important role in information processing. An affective effect describes an emotional response to country stereotypes that influence attitudes directly without intervening into belief changes. These emotional processes bypass cognitive evaluations through various direct inputs (holidays or personal contact) or indirect inputs (art, education and mass media) and lead to a preference or aversion independent of an evaluation of the key product attributes (Verlegh & Steenkamp, 1999). Affective processes can therefore be described as pleasure or displeasure with a product - in spite of a positive or negative evaluation of key attributes. Affective ratings exist consequently regardless of cognitive assessments and this can certainly be in contradiction. Examples can be found with Americans of Arab descent, when evaluating an Israeli-made precision instrument high on craftsmanship yet consumers have a strong negative reaction overall (Obermiller & Spangenberg, 1989), Jewish rejection of German cars regardless of objective ratings (Johansson, 1989) or rejection of French products after the nuclear tests on the Mururoa Atoll 1995 (Edwards, Gut, & Mavondo, 2007). How quickly these affective components can generate customer action, can be followed up in the business press when for example controversial Danish newspaper cartoons immediately provoke the rejection of Danish products in the Middle East (Fattah, 2006). Although the majority of studies focused on cognitive mechanisms of the COO information, Li, Moore and Chan (1994) have shown that the affective component is almost as important. Furthermore this construct explains the best the effects of prejudices about a country. Roth and Diamantopoulos (2009) stated a lack of a proper measure for country affect and promoted efforts in developing a tailor-made scale for capturing country-related emotions.

The affective model also demonstrates that an emotional response to a COO cue may invoke feelings of “authenticity”, “tradition” and “status” (Verlegh & van Ittersum, 2001). In this way Spanish products with ‘*Denominaciones de Origen*’ for olive oil or Iberian ham (e.g. *Jamón de Jabugo*) transmit a positive image of quality viewed as “typical”. Li and Monroe (as cited in Verlegh & van Ittersum, 2001) found that consumers prefer products that were hand-made in the *original* country. Even though the quality of hand-made Austrian olive oil may be the same as a Spanish product; *original* Spanish olive oil would be preferred.

7.1.3 Normative Model

The third effect of the country of origin information affects preferred behavior without changing the product evaluation and/or emotional setting (Verlegh & Steenkamp, 1999). Due to country-relevant norms consumers comply with certain standards of conduct accepted within their reference groups. The purchase of a product contradicting these standards may lead to related negative social sanctions. For example independent of the positive quality assessment for foreign cars, consumers will “Buy American” because of normative pressure (Obermiller & Spangenberg, 1989). This mode of action is particularly important for products with high visibility and status e.g. cars or clothes. Nonetheless the purchase of products from a particular area may also provide an opportunity for economic support. This economic assistance can be seen as a moral action. By choosing to purchase – or to avoid - products from a particular area, the consumer *votes* for - or against - the policies and practices of a particular government. This phenomenon is referred to as “customer voting” (Verlegh & Steenhamp, 1999; Verlegh & van Ittersum, 2001). Friedman (1996) referred to the instances where consumers reward “sympathetic” areas through the purchase of their products as *Buycotts*. The influence of social norms on the assessment of products has been investigated and confirmed, both under the aspect of behavioral science (Johansson, 1989) as well as from the perspective of perceived social risk (Witt & Rao, 1993). This should be brought into context with other normative constructs such as consumer ethnocentrism, consumer cosmopolitanism or consumer animosity (Roth and Diamantopoulos, 2009).

7.2 Classification of WTP Measurement Methods

Different methods have been used to classify willingness to pay. Völckner (2006a) and Balderjahn (2003) categorized measurement for WTP into instruments that elicit price information at an aggregated level or methods that measure WTP on an individual level. Breidert (2006) on the other hand distinguished on the highest level between data that was collected by surveys and data based on observation. Within the field of observation he summarizes market data and experiment to methods with *revealed preference*. Whereas surveys are regarded as preference data generating *stated preference*. In Figure 2.3 the two aspects are presented together. Other classifications can be found at Nagle and Holden (2007) who made a distinction for measuring price sensitivity between uncontrolled and experimentally controlled measurements. They sub-categorized the measurement methods into measurement of purchase behavior and measurement of purchase intention. The differences in categorization also show that while the importance of measuring willingness to pay is undisputed, no generally accepted research method has been found, mainly because of differences in accuracy, practicability and cost efficiency (Breidert et al., 2006; Völckner, 2006a). Although all classifications are proficient to describe the different instruments for measuring WTP the structure of the following chapters is based on the classification presented in Figure 2.3.

7.2.1 Analysis of Market Data

Market data comprises data on sales volumes or market shares and the respective prices of products. Market data is often collected over a certain period of time and used to estimate demand curves. Using regression analysis, historical sales transaction data of the companies' own sales records can be used to calculate price-demand functions. Providing that sufficiently large price variations occurred during the observation period estimations on WTP can be derived (Simon, 1992; Balderjahn, 2003).

The biggest concern with using market data is that this method cannot be used to determine individual WTP precisely. The use of "*historical data is based on the assumption that past demands can be used to predict future market behavior*" (Breidert et al., 2006, p. 10), which may not be the case (Louviere, 1996). Often aggregated sales

figures are at the basis of the analysis. Data is aggregated over time and different stores are combined, so that no individual purchasing decisions can be inferred. On that score loyalty cards are a game changer, because actual buying information can be traced to individual customers. This is also the case with panel data, which represents individual repeated purchase behavior from members of a customer panel. The actual prices paid for products are observed on an individual level. Shortcomings of customer panels are that they might not sufficiently represent the market as a whole and that they are very costly (Nagle and Holden, 2007). In the same way price experiments in test markets using scanner technology can be conducted.²²

While scanner data are incentive compatible, reveal customer preference and have high external validity because actual purchases are observed under realistic marketing-mix conditions, only the response to fixed, predetermined prices is observed (Skiera & Revenstorff, 1999). If the price variations are too small, response to variations outside of the market data can only be hypothesized. The data only show that the individual willingness to pay of the buyers was at least as high as the test market price. Those potential buyers, who haven't bought the product, are not reported in historical sales data. It can only be said that the market price has exceeded their specific price threshold. Their *true* WTP remains unknown, which prevents marketers from extracting maximum consumer surplus (Ben-Akiva, Bradley, Morikawa, Benjamin, Novak, Oppewal, & Rao, 1994; Sattler & Nitschke, 2003). Moreover, except for test market simulations, scanner data are unavailable for new products that have not yet been sold under market conditions (Wertenbroch & Skiera, 2002).

7.2.2 Direct Survey

In a survey customers are asked directly or indirectly about their buying behavior. Breidert et al. (2006) differentiated direct surveys further into expert judgments and customer surveys. While authors are divided about using expert judgments exclusively (Nessim & Doge, 1995; Balderjahn, 2003), this method yields advantage when faced with time and budget constraints. Typically sales or marketing managers are asked to predict the willingness to pay of their customers. These experienced experts evaluate the

²² See Section 7.2.4 for details on experimental designs.

product; they know the market and the competition and can therefore make an educated guess about how consumers could react (Breidert et al., 2006). For that reason, interviewing experts can provide an important source of information for demand estimates. Nevertheless, their judgment might be influenced because of other variables, such as a company reward system coupled to the sales quota or prestige products for marketing experts. Managers might therefore over- or understate predictions (Nessim & Dodge, 1995). On the whole, expert judgments work best in a well-known market environment with well known players and customers. Balderjahn (2003) did not recommend the use of expert judgments, because WTP from large and more heterogeneous customer groups can not be anticipated easily. He further disqualified the measurement instrument as poor, with low validity.

Asking customers in direct surveys is the simplest and most common way to collect data about individual willingness to pay for a specific product. In the literature direct price elicitation under the name "contingent valuation technique" is most often used in the context of public goods and environmental resources (Mitchell & Carson, 1990; Bjornstad & Kahn, 1996; Oates, 1996). With respect to consumer preference for goods sold in market's direct price surveys come in different variants, for example in the form of a direct question about the maximum willingness to pay (Kalish & Nelson, 1991; Keane, 1997), the presentation of different prices for the same product combined with the question of to what price the product would still be bought (Gabor & Granger, 1961) or the inquiry about price importance in relation to other product properties, so-called self-explicated preference measurements (Srinivasan, 1988). In the simplest case, the so-called *open-ended approach*, the respondents are asked the question directly of how much they are willing to pay for a product (Kalish & Nelson, 1991). During a *closed-ended approach*, also known as dichotomous choice approach, the participant is presented several show cards with prices for the same product and has to indicate whether he would buy the product at the respective price or not (Cameron & James, 1987; Hanemann, 1994; Cummings, Harrison, & Rutström, 1995). With this method it is possible to determine not only the absolute top price thresholds, but even lower price thresholds, which are caused for example by quality doubts due to very low prices (Diller, 2000). Using the *self-explicated-model* subjects first state the importance of various product features, including the price. In a second step appraisals for the characteristics of each property can be queried, for example in the form of preference judgments regarding the quality characteristics on a rating scale. The specific design of

the two steps may vary (Srinivasan, 1988; Green & Srinivasan, 1990). A self-explicated approach in conjunction with a direct query of WTP for a specific product also permits to determine the willingness to pay for alternative products, which differ in the attribute characteristics (Völkner, 2006a).

Directly surveying customers has its weaknesses, as it creates an unnatural focus about the price (Simon, 1992). As a result the validity suffers and findings are distorted (Balderjahn, 2003). Customers do not necessarily have an incentive to reveal their *true* WTP. They might overestimate rates because of the prestige effects or underestimate prices because of the consumer collaboration effects (Nagle & Holden, 2002). Accordingly Nessim and Dodge (1995, p.72) stated that *“buyers in responding may also attempt to quote artificially lower prices, since many of them may perceive their role as conscientious buyers as that of helping to keep prices down.”* Even truthfully stated WTP does not consequently lead to real purchasing behavior (Nessim and Dodge, 1995). It is a hypothetical and a cognitively challenging task and buyers often misjudge the price of a product, in particular if it is not a high frequency purchase (Breidert, 2006).

7.2.3 Indirect Survey

The basic idea of indirect surveys is to let the subjects evaluate different product alternatives as a whole. These alternatives differ systematically in terms of price and other characteristic features. In mimicking real purchase situations the goal of this method is to avoid a sole focus on the price, as it is the case with direct surveys. Brown, Champ, Bishop and McCollum(1996) argued that for a respondent it is cognitively easier to decide whether a specific price for a product is acceptable than to directly assign a price. Under the assumption that an individuals judgment can be decomposed into a sum of contributions from multiple attributes, each attribute is multiplied by its part-worth. Based on the collected judgments about the overall product value, the part-worths for the different property attributes are estimated and willingness to pay is calculated (Breidert, 2006). Essentially, the part-worth is the marginal utility of the attribute in the respondents ranking.

Conjoint analysis is one of the methods typically used to indirectly elicit WTP (Green & Srinivasan, 1990; Kalish & Nelson, 1991; Carroll & Green, 1995). It is a method for

simulating how consumers might act in response to changes in existing products or to new products introduced into a competitive market. According to Green, Kreiger, and Wind (2001, p. S57), conjoint analysis is “*by far, the most used marketing research tool for analyzing consumer tradeoffs.*” and one of many techniques for handling situations in which a decision maker has to deal with options that have simultaneous variations across two or more attributes. The problem the decision maker faces is how to trade off the possibility that option X is better than option Y on attribute A while Y is better than X on attribute B, and various extensions of these conflicts (Green et al., 2001). With respect to measuring willingness to pay the tasks of the respondents are usually to rate, rank or choose between alternative product concepts. A product attribute is a set of possible realizations, which are called attribute levels. A typical attribute of chocolate would be for example: chocolate types, with its typical attribute levels, like ‘dark chocolate’, ‘milk chocolate’ or ‘white chocolate’. Another attribute could be the percentage of cacao or if the chocolate was produced as a fair-trade product. In full profile techniques, each respondent is presented a complete set of the full-profile prop cards consisting of realizations of the product’s attributes. After bringing the cards in a rank order, the respondent rates each card on a 0 to 100 likelihood-of-purchase scale. Consumers show their preferences by making trade-offs between different attributes of a product. In this way, the importance of different attributes or criteria in the consumer’s evaluation of the product can be studied. Most conjoint analysts fit what is known as the part-worth model to respondents’ evaluative judgments. The evaluation of a full product stimulus is referred to as the product’s utility. In a conjoint study part-worths are estimated for all attribute levels. That is, each level is assigned a number, such that the respondents’ preference structure based on the attributes and levels is represented. The measurement focusing on the different attributes is called importance. The importance of one attribute is based on the level’s part-worths and simply describes the range of the part-worths from the least preferred to the most preferred level (Breidert, 2006). The use of computer programs in analyzing conjoint analysis data is becoming more and more frequent as, for instance, a set of 12 attributes with two to six attribute levels can amount to a total number of possible combinations of 186,624 levels (Green et al., 2001).

Although from a theoretical point of view indirect surveys have been found to have

benefits over direct surveys (e.g. due to the higher similarity to real purchasing decisions)²³, so far this superiority has not been proven inconclusive by the extensive empirical research. Neither a general method comparison between self-explicated models and conjoint analysis (Sattler & Hensel-Börner, 2007) nor more specific studies which compare the two methods in terms of willingness to pay (Kalish & Nelson, 1991), empirically demonstrated a clear superiority of the conjoint analysis.

7.2.4 Experiments

Finally, another instrument for measuring WTP is to offer respondents the possibility to buy products under experimental conditions. In pricing studies both field experiments and laboratory experiments can be found (see Figure 2.3).

In field experiments or in-store purchase experiments, consumers are presented with the opportunity to buy real products at experimentally manipulated price points. The purchases are carried out in a natural environment often in the form of test markets.²⁴ Test markets provide consumers with opportunities to buy real products from competitive choice sets. In some test markets, customers get paid to participate and they can either keep the money or spend it on the available products at the posted prices. Wertenbroch and Skiera (2002) stated that with this specific method “*demand estimates cannot be biased downward simply because of possible liquidity constraints.*” Participants can either be conscious of the experimental conditions or not, but the test markets should be selected as similar to the target market as possible (Breidert et al., 2006). The main concern with field experiments is extremely high costs compared to other surveying techniques and the time needed to monitor market responses to price changes (Sattler & Nitschke, 2003).

While results can be achieved relatively quickly and inexpensively, laboratory experiments have been criticized because participants are aware of the experimental situation, which may lead to low external validity of the study (Nessim and Dodge, 1995). Another source of bias can be that in some laboratory experiments participants

²³ Cf. and other advantages Sattler & Hensel-Börner (2007); Simon (1992), see also the critique of the conjoint analysis of Balderjahn (1994)

²⁴ e.g. GfK-BehaviourScan®; ACNielsen's BASES system (www.bases.com)

do not use their own money to purchase goods; they are given a certain amount of money instead and asked to spend this money on a specific range of products. This is a very artificial setup, and customers might diverge from their usual shopping routines. Some experiments are set up so that customers do not take real possession of the purchased merchandise, which may lead to another source of bias, because of missing incentives to state *true* WTP (Nagle & Holden, 2002, p.341).

Auctions and incentive compatible *lotteries* are a special form of experiments that can be carried out as laboratory or field experiments. Their use to determine consumer acceptance and WTP for product attributes or new products is becoming increasingly popular (Hoffmann, Menkhaus, Chakravarti, Field, & Whipple, 1993; Wertenbroch & Skiera, 2002; Umberger & Feuz, 2004; Silva, Nayga, Campbell, & Park, 2007; Depositario, Nayga, Wu, & Laude, 2009). In this way *true* measurement of willingness to pay – in contrast to the hypothetical measurement in the context of the CVM – is revealed. The most common methods of this kind of experiments are the Vickrey second price auction and/or lotteries including the incentive compatible Becker-DeGroot-Marshak (BDM) mechanism.

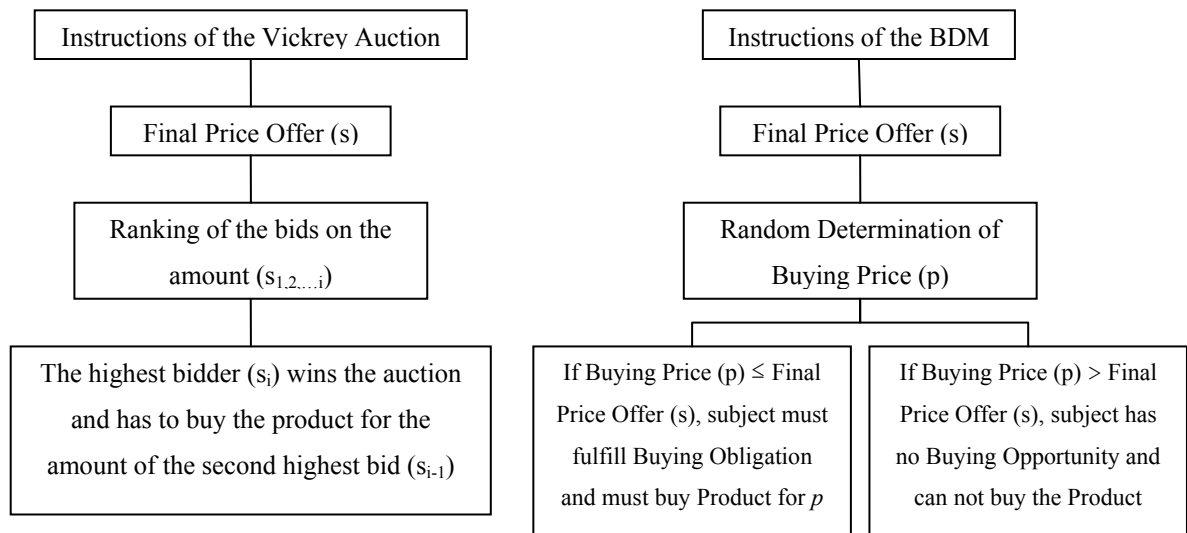


Figure 7.4: Overview of Vickrey Auction and BDM Procedure

Vickrey (1961), Wertenbroch and Skiera (2002)

In an experimental auction participants may have to actually purchase the product at the conclusion of the experiment. Keeping this in mind subjects submit a bid to get a product. This bid in turn represents the subjects WTP (Silva et al., 2007). In particular, the Vickrey auction – named after William Vickrey – is used, because people have an

incentive to tell the truth. In fact this auction separates what the respondents say from what they pay. In a Vickrey second price auction bidders simultaneously submit sealed bids. The winner of the auction is the highest bidder; however this person only has to pay the purchase price from the second highest bid (Vickrey, 1961). Empirical evidence by Skiera and Revenstorff (1999) suggests a high validity of this instrument. Other studies have tried to fill the gap of empirical comparison of the Vickrey auction with other instruments for measuring willingness to pay (Hoffman et al., 1993; Prelec & Simester, 2001; Sattler & Nitschke, 2003). While the Vickrey auction has not yet received widespread practical recognition, non-incentive-compatible forms of auctions, such as maximum price auction, English auction or Dutch auction, are often used, especially on the Internet (Sattler & Nitschke, 2003). Lusk, Traill, House, Valli, Jaeger, Moore and Morrow (2006) used a fifth price auction design to determine WTP for labels indicating genetically modified food. It should also be made clear that each research project requires specific alterations to fit the experimental procedures to the research settings and should be tested in advance (Umberger & Feuz, 2004).

An example of a Vickrey auction can be as follows: Two participants Jorge and Anna, bid for a bar of chocolate worth 1 € to Jorge and 1.5 € to Anna. Suppose that Jorge bids his exact WTP of 1 €. If Anna also bids her *true* willingness to pay of 1.5 €, she wins the auction and only pays the amount of Jorge's bid of 1 €. She realizes a positive surplus of 50 cents. If Anna bids below her true valuation, for example 99 Cents, not only would she lose the auction, but Jorge would pay a price that Anna would have also accepted. Now consider a third bidder Elisabeth who has a valuation of 2 € and bids this valuation. If Anna bids above her true valuation, for example 2.5 €, she wins the auction and has to pay 2 € for the chocolate bar. She has to pay more than her true valuation and therefore realizes a negative surplus. The example shows that it is always optimal for Anna to bid her true valuation in a Vickrey auction. The same holds for Jorge and Elisabeth.

This strategic framework is called the incentive compatibility condition; it distinguishes the Vickrey auction at the theoretical level both from other auction forms as well as from the direct, hypothetical price survey (Kräkel, 1992). However Skiera and Revenstorff (1999) showed in their study that while respondents seemed to have a good understanding of the mechanism of the auction, they failed to understand the optimal bidding strategy (bid the true valuation). This might be a problem of the Vickrey auction.

In spite of these findings studies conducted by face to face interviews, where direct contact to a single participant is needed and where researchers are asking a specific consumer a set of follow-up questions, generally rule out the use of the sealed-second-price auction as an elicitation mechanism in view of the fact that there is no second highest bid. This problem can be mitigated by using incentive compatible lotteries like the Becker-DeGroot-Marshak mechanism (Becker, DeGroot, & Marshak, 1964). In this case respondents first state their willingness to pay. Similar to the Vickrey auction the mechanism is incentive compatible because the given bid only determines if the bidder has a right to buy the product, the actual selling price is always set below the submitted bid. Subjects have the possibility to revise their bid to think about the real worth of the product. In a second step, a *lottery* randomly determines a buying price. If the randomly determined price is equal or below the stated willingness to pay the subject must buy the product. On the other hand if the price is above the stated WTP, the subject is not allowed to buy. A comparison of the two procedures can be found in Figure 7.4.

Prelec and Simester (2001) compared the Vickrey auction and the BDM method in a study analyzing a possible credit-card effect on WTP. Noussair et al. (2004a) weighed these instruments against a hedonic rating scale and in comparison achieved better results on an individual level. While the same authors preferred Vickrey over BDM in another article of the same year (Noussair et al., 2004b), Schreier and Werfer (2007) found that the Vickrey auction and the BDM mechanism seemed an equally reliable and valid instrument for measuring the willingness to pay. Especially in the food sector BDM was used to assess the reservation price for champagne (Combris, Lange, & Issanchou, 2002) and willingness to pay for organic and *Fair Trade* products (Didier & Lucie, 2008). Wertenbroch and Skiera (2002) found that BDM was a feasible, reliable and valid market research procedure. The buyers as well as the non-buyers were extremely satisfied with the results of the purchase procedure and the results showed that BDM does not suffer from overbidding bias. Wertenbroch and Skiera (2002) attested to the superiority of the BDM over direct price surveys.

In this thesis the Becker-DeGroot-Marshak mechanism is used to elicit *true* willingness to pay. BDM is chosen because it is incentive compatible, avoids the anchoring problems of *a priori* known limits of the price distribution and can be implemented with individual subjects thus avoiding group effects. Because the randomly determined buying price is drawn for every respondent individually BDM mitigates competition or collusion effects. Respondents do not compete with others for the same product. In

addition, BDM complies with the so-called "point-of-purchase" criterion. This means that participants can be located in a usual sales environment during the execution of the experiment, which is proof of the external validity of the method.

APPENDIX B: Instructions Given by the Interviewer

The BDM instructions the interviewer gave to the subjects in the study are as follows:

Welcome statement

Hello!

I am a researcher from the University of Vienna and I am conducting a marketing survey. The survey takes only a few minutes. I am wondering if you would like to participate. You will need a small amount of money, because I will offer you an opportunity to buy a chocolate bar. You will not have to spend any more for the chocolate than you really want to. If you are still interested I would like you to answer this first set of questions.

[The subject fills out the first page of the questionnaire. Especially the question: “How much did you like the tasted chocolate bar” is answered as part of a blind tasting without any further information about the chocolate.]

I'd like to know how much money you are willing to spend for this chocolate bar you have just tasted. The purchase price is not yet determined. Please tell me the highest price you would be willing to pay. You may then draw a ball from this urn. The balls are labeled with different prices. If you draw a price that is less than or equal to the price you tell me, you will have to buy the chocolate for the price you drew from the urn. If the price you draw is greater than the price you tell me, you will not be able to buy the chocolate bar. This procedure ensures that it is best for you to truthfully reveal the maximum price you are willing to pay. If you tell me a price that is higher, you may actually have to pay that higher price. If you tell me a price that is lower, you may be disappointed if you can't buy if you draw a price that is higher than the price you tell me but lower than your "true" price. Note that you cannot influence the purchase price with the price you tell me. Because you draw the purchase price from the urn, it is completely random and independent of whatever

you tell me. Do you have any questions?

Initial Price Offer

Now, what is the maximum amount you are willing to pay for this chocolate bar? [The subject states a price.] If you now draw a price that is less than or equal to the price you just stated, I will sell you the chocolate bar at the price you drew from the urn. However, if you now draw a price that exceeds the one you just stated, I will not sell you the chocolate.

Option to Revise

If you now drew a price that is 10 cents higher than the price you just stated, would you still consider buying the chocolate bar after all? If so, please tell me the true maximum price at which you would be willing to buy. [The subject continues to state higher prices, until he or she would not consider a purchase anymore at a price that is 10 cents higher than stated and marks this price on the questionnaire.]

[The subject draws a price from the urn and marks this price in the questionnaire and continues to fill out the rest of the questions.]

APPENDIX C: Questionnaires



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EXPERIMENTO SOBRE LA DISPOSICIÓN A COMPRAR

Acerca de este cuestionario:

Esta encuesta es parte de un proyecto de investigación de la Universidad de Viena. Toda la información será **estrictamente confidencial** y será evaluado para que la identificación de los participantes no sea posible. ¡El estudio es de **carácter científico** y no se utiliza con fines comerciales!

En la encuesta, no hay respuestas correctas o incorrectas. Interesa saber su **opinión personal**.

En el cuestionario aparece una serie de preguntas similares sobre el mismo tema por razones metodológicas, no queremos confundirle, pero pedimos que responda a todas las variaciones de las diferentes preguntas.

Para evaluar bien el cuestionario, es importante **contestar a todas las preguntas**, incluso si no está seguro de una respuesta. En este caso, una indicación aproximada es más valiosa que un cuestionario incompleto.

La mayoría de las preguntas están diseñadas para una evaluación en una escala sobre siete puntos.

¡GRACIAS POR SU PARTICIPACIÓN!

PARTE 1: PREGUNTAS GENERALES

Para comenzar, le pedimos algunas preguntas sobre el chocolate.

¿Tiene usted hambre en este momento?	poca hambre	① ② ③ ④ ⑤ ⑥ ⑦	mucha hambre
¿Le gusta a usted el chocolate?	no me gusta nada	① ② ③ ④ ⑤ ⑥ ⑦	me gusta mucho
¿Con qué frecuencia come usted chocolate?	rara veces	① ② ③ ④ ⑤ ⑥ ⑦	muy a menudo
¿Cuánto pagaría usted normalmente por una barra de chocolate? (en EUR)		_____ €	
¿Está usted interesado en el chocolate?	muy poco	① ② ③ ④ ⑤ ⑥ ⑦	mucho
¿Cuál es la probabilidad con la que usted vaya a comprar chocolate en los próximos siete días?	poco probable	① ② ③ ④ ⑤ ⑥ ⑦	muy probable
¿Cuánto anhela usted el chocolate en este momento?	muy poco	① ② ③ ④ ⑤ ⑥ ⑦	mucho
¿Le gustó el chocolate que ha probado?	no me gustó nada	① ② ③ ④ ⑤ ⑥ ⑦	me gustó mucho

PARTE 2: DESCRIPCIÓN DEL EXPERIMENTO

En el curso de la entrevista con usted, queremos hacer un pequeño experimento.



Por favor, especifique su oferta de precio final:	_____ €	
Por favor, indique el precio de compra determinado al azar:	_____ €	
¿Ha cumplido usted con su obligación de compra?	☐ Sí	☐ No
¿Pagaría usted un precio más elevado para conseguir el producto después de ver el resultado de la lotería?	☐ Sí	☐ No
¿Está usted contento con el resultado?	☐ Sí	☐ No
¿Volvería usted a participar en un experimento de este tipo?	☐ Sí	☐ No

Responda a continuación en qué medida está usted de acuerdo con las siguientes afirmaciones:	Totalmente en desacuerdo Totalmente de acuerdo
Ahora no me apetece el chocolate, por eso mi oferta ha sido tan baja. No estaba interesado en ganar la apuesta.	① ② ③ ④ ⑤ ⑥ ⑦
Quería hacer una compra barata.	① ② ③ ④ ⑤ ⑥ ⑦
Las explicaciones sobre el procedimiento de la apuesta eran claras.	① ② ③ ④ ⑤ ⑥ ⑦
Soy consciente de que mi oferta me compromete.	① ② ③ ④ ⑤ ⑥ ⑦
Soy consciente de que se trata de una situación de compra real.	① ② ③ ④ ⑤ ⑥ ⑦
Si hubiera reflexionado durante más tiempo sobre el valor de mi oferta, tal vez mi decisión hubiera sido distinta.	① ② ③ ④ ⑤ ⑥ ⑦
Si tuviera otra oportunidad de hacer una oferta indicaría exactamente la misma cantidad.	① ② ③ ④ ⑤ ⑥ ⑦

¿En qué medida ha influido el sabor del producto en su oferta?	me ha influido mucho	① ② ③ ④ ⑤ ⑥ ⑦	no me ha influido nada
Teniendo en cuenta su oferta, ¿cuánto estaría usted dispuesto a pagar en el futuro por un producto idéntico en un supermercado?	mucho más	① ② ③ ④ ⑤ ⑥ ⑦	mucho menos
¿Este procedimiento ha sido confuso para usted?	muy confuso	① ② ③ ④ ⑤ ⑥ ⑦	nada confuso
Comprendo el motivo por el que debo indicar exactamente la cantidad que estoy dispuesto a pagar.	comprendo muy bien	① ② ③ ④ ⑤ ⑥ ⑦	no comprendo nada

PARTE 3: CUESTIONES GENERALES SOBRE LA CATEGORÍA DE PRODUCTOS

Las declaraciones siguientes se refieren a sus actitudes a los dulces.



¿De donde proviene el chocolate que usted ha probado?	
Responda a continuación en qué medida está usted de acuerdo con las siguientes afirmaciones:	Totalmente en desacuerdo Totalmente de acuerdo
Mi interés por el chocolate es muy elevado.	① ② ③ ④ ⑤ ⑥ ⑦
El chocolate es muy importante para mí.	① ② ③ ④ ⑤ ⑥ ⑦
El chocolate no tiene importancia para mí.	① ② ③ ④ ⑤ ⑥ ⑦
Elijo cuidadosamente el chocolate.	① ② ③ ④ ⑤ ⑥ ⑦
La elección de chocolates es una decisión muy importante para mí.	① ② ③ ④ ⑤ ⑥ ⑦
Los chocolates que compro tienen para mí un significado muy elevado.	① ② ③ ④ ⑤ ⑥ ⑦

Responda a continuación en qué medida está usted de acuerdo con las siguientes afirmaciones:	Totalmente en desacuerdo Totalmente de acuerdo
Generalmente compro productos en oferta.	① ② ③ ④ ⑤ ⑥ ⑦
Siempre compro el producto más económico.	① ② ③ ④ ⑤ ⑥ ⑦
Cuando tengo que elegir entre varios productos siempre me fijo en el precio.	① ② ③ ④ ⑤ ⑥ ⑦
El precio es el factor más importante a la hora de decidirme por una marca.	① ② ③ ④ ⑤ ⑥ ⑦

Responda a continuación en qué medida está usted de acuerdo con las siguientes afirmaciones:	Totalmente en desacuerdo Totalmente de acuerdo
Me siento más involucrado en temas relacionados con otros países europeos que con países fuera de Europa.	① ② ③ ④ ⑤ ⑥ ⑦
Siento afinidad con la Unión Europea y su gente.	① ② ③ ④ ⑤ ⑥ ⑦

PARTE 4: AJUSTE DE SU PAÍS DE ORIGEN

Las preguntas siguientes se refieren a la actitud actual hacia el país de origen.



Responda a continuación en qué medida está usted de acuerdo con las siguientes afirmaciones:	Totalmente en desacuerdo							Totalmente de acuerdo						
En general los productos de Bélgica tienen una excelente calidad.	①	②	③	④	⑤	⑥	⑦							
En general los productos de Bélgica son técnicamente avanzados.	①	②	③	④	⑤	⑥	⑦							
En general los productos belgas son innovadores.	①	②	③	④	⑤	⑥	⑦							
En general estoy orgulloso de tener productos belgas y comprarlos.	①	②	③	④	⑤	⑥	⑦							
En general los productos de Bélgica cuentan con mucha publicidad.	①	②	③	④	⑤	⑥	⑦							
En general los productos belgas tienen marcas reconocibles.	①	②	③	④	⑤	⑥	⑦							
En general los productos belgas son fiables.	①	②	③	④	⑤	⑥	⑦							
En general los productos de Bélgica son caros.	①	②	③	④	⑤	⑥	⑦							
En general los productos de Bélgica están relacionados con un alto estatus.	①	②	③	④	⑤	⑥	⑦							
En general los productos belgas tienen un acabado excelente.	①	②	③	④	⑤	⑥	⑦							
En general los productos de Bélgica son de fiar.	①	②	③	④	⑤	⑥	⑦							
En general los productos de Bélgica pertenecen a la alta gama.	①	②	③	④	⑤	⑥	⑦							

¿Cómo valoraría usted la capacidad de innovación de los productos de Bélgica? La innovación hace referencia a la aplicación de la tecnología y los avances de la ingeniería.														
poco innovadores	①	②	③	④	⑤	⑥	⑦	muy innovadores						
¿Cómo valoraría usted el prestigio de los productos procedentes de Bélgica, incluyendo su exclusividad, estatus y reputación de marca?														
bajo prestigio	①	②	③	④	⑤	⑥	⑦	alto prestigio						

¿Cómo valoraría usted el atractivo del diseño de los productos de Bélgica en cuanto a la apariencia, estilo, colores y variedad?														
diseño poco atractivo	①	②	③	④	⑤	⑥	⑦	diseño muy atractivo						
¿Cómo valoraría usted la fabricación de los productos procedentes de Bélgica, así como su fiabilidad, durabilidad, herramientas y calidad de fabricación?														
mala fabricación	①	②	③	④	⑤	⑥	⑦	buena fabricación						

PARTE 4: AJUSTE DE SU PAÍS DE ORIGEN

Las preguntas siguientes se refieren a la actitud actual hacia el país de origen.



Responda a continuación en qué medida está usted de acuerdo con las siguientes afirmaciones:	Totalmente en desacuerdo Totalmente de acuerdo						
Ser español significa mucho para mí.	①	②	③	④	⑤	⑥	⑦
Estoy orgulloso de ser español.	①	②	③	④	⑤	⑥	⑦
Cuando una persona extranjera elogia a España, se percibe como un elogio personal.	①	②	③	④	⑤	⑥	⑦
No siento ningún tipo de vínculo con España.	①	②	③	④	⑤	⑥	⑦
Los españoles no deberían comprar productos extranjeros porque perjudica la economía española y causa desempleo.	①	②	③	④	⑤	⑥	⑦
No es bueno comprar productos extranjeros porque de esta forma los españoles pierden sus puestos de trabajo.	①	②	③	④	⑤	⑥	⑦
Un español de "pura cepa" debería comprar siempre productos españoles.	①	②	③	④	⑤	⑥	⑦
Siempre prefiero productos españoles frente a extranjeros.	①	②	③	④	⑤	⑥	⑦
Deberíamos comprar siempre productos españoles en lugar de enriquecer a otros países.	①	②	③	④	⑤	⑥	⑦

PARTE 5: PREGUNTAS PERSONALES

Por último, estamos interesados en algunas cuestiones demográficas generales.



¿Cuántas veces ha usted estado en el extranjero en el último año?		_____ veces	
¿Ha estado alguna vez en Bélgica?		☐ Sí ☐ No	
¿Qué interés tiene usted por la vida política?	ningún interés	① ② ③ ④ ⑤ ⑥ ⑦	mucho interés

Nivel educativo
☐ Educación Primaria
☐ Educación Secundaria Obligatoria
☐ Bachillerato
☐ Ciclo Formativo
☐ Diplomatura / Licenciatura
☐ Otros: _____

Profesión
☐ Estudiante
☐ Empleado
☐ Desempleado
☐ Jubilado
☐ Otros: _____

Ingresos mensuales netos
☐ Menos de 500 €
☐ 500 - 999 €
☐ 1.000 - 1.499 €
☐ 1.500 - 1.999 €
☐ 2.000 - 2.499 €
☐ Más de 2.499 €

Género
☐ Mujer
☐ Hombre
Edad: _____

Residencia
☐ Ciudad
☐ Zona rural

Nacionalidad
Nacionalidad: _____

¡GRACIAS POR SU PARTICIPACIÓN!

EXPERIMENT ON WILLINGNESS-TO-PAY

About this questionnaire:

This survey is part of a research project of the University of Vienna. All information will be kept **strictly confidential** and will be evaluated so that no identification of individual participants is possible. The study is of **purely scientific nature** and is not used for commercial purposes!

In the survey, there are no right or wrong answers. We are interested in **your personal assessment**.

At some points in the questionnaire, we deliberately ask a number of similar questions on the same topic. This has methodological reasons, we do not wish to confuse you, but ask you to answer all variations of the different questions.

We thoroughly evaluate your questionnaire, it is important that you **answer all questions**, even if you are unsure of an answer. An approximate indication is more valuable in this case than an incompletely filled out questionnaire.

Most questions are designed so that you are asked to assess your agreement on a seven-point scale.

THANK YOU FOR YOUR PARTICIPATION!

PART 1: GENERAL QUESTIONS

At the beginning we ask you a few questions about our product.

How hungry are you right now?	not very	☐ ☐ ☐ ☐ ☐ ☐ ☐	very
How much do you like chocolate?	not much	☐ ☐ ☐ ☐ ☐ ☐ ☐	a lot
How often do you eat chocolate?	rarely	☐ ☐ ☐ ☐ ☐ ☐ ☐	very often
How much do you normally pay for a chocolate bar? (in EUR)	_____		€
Are you interested in chocolate?	not very	☐ ☐ ☐ ☐ ☐ ☐ ☐	very
What is the probability that you will buy chocolate in the next seven days?	very unlikely	☐ ☐ ☐ ☐ ☐ ☐ ☐	very likely
How much did you crave the chocolate bar?	not much	☐ ☐ ☐ ☐ ☐ ☐ ☐	a lot
How much did you like the taste of the chocolate bar?	I didn't like it at all	☐ ☐ ☐ ☐ ☐ ☐ ☐	I liked it a lot

PART 2: DESCRIPTION OF THE EXPERIMENT

In the course of the interview, we want to do a short experiment.



Please indicate your final price offer: _____ €		
Please indicate the randomly determined purchase price: _____ €		
Have you fulfilled your purchase obligation?	☐ Yes	☐ No
In retrospect would you have bet a higher price to get the product?	☐ Yes	☐ No
Are you feeling happy with the results?	☐ Yes	☐ No
Would you participate in a survey like this again?	☐ Yes	☐ No

To what extent do you agree with the following statements?	Strongly disagree	Strongly agree
At the moment I don't want any chocolate. That is why my bid was so low that I did not win the auction.	○ ○ ○ ○ ○ ○ ○ ○	
I have speculated on a very low purchasing price.	○ ○ ○ ○ ○ ○ ○ ○	
The explanations on the procedure for the lottery were clear and evident for me.	○ ○ ○ ○ ○ ○ ○ ○	
I am aware that my bid is binding.	○ ○ ○ ○ ○ ○ ○ ○	
I am aware that I participate in a real buying situation.	○ ○ ○ ○ ○ ○ ○ ○	
If I had been given more time to think about the amount to bid, I might have decided differently.	○ ○ ○ ○ ○ ○ ○ ○	
If I had another chance to make a bid, I would indicate exactly the same amount of money.	○ ○ ○ ○ ○ ○ ○ ○	

To what extent has the taste of the chocolate affected your bid.	influenced me greatly	○ ○ ○ ○ ○ ○ ○ ○	did not influence me at all
Compared to your bid, how much would you pay in a regular business for a comparable bar of chocolate?	much less	○ ○ ○ ○ ○ ○ ○ ○	much more
Has this procedure been confusing for you?	very much so	○ ○ ○ ○ ○ ○ ○ ○	not at all
Is it clear why it is in your best interest to state the exact price you are willing to pay?	not at all	○ ○ ○ ○ ○ ○ ○ ○	very much so

PART 3: GENERAL QUESTIONS ABOUT THE PRODUCT CATEGORY

The following statements concern you attitudes towards confectionary.



From which country did the chocolate you tasted come from? _____

To what extend do you agree with the following statements?	Strongly disagree							Strongly agree
I have a strong interest in confectionary.	☐	☐	☐	☐	☐	☐	☐	☐
Candies are very important to me.	☐	☐	☐	☐	☐	☐	☐	☐
For me, sweets do not matter.	☐	☐	☐	☐	☐	☐	☐	☐
I would choose my candies very carefully.	☐	☐	☐	☐	☐	☐	☐	☐
Choosing a confectionary is an important decision for me.	☐	☐	☐	☐	☐	☐	☐	☐
Which chocolates I buy matters to me a lot.	☐	☐	☐	☐	☐	☐	☐	☐

To what extend do you agree with the following statements?	Strongly disagree							Strongly agree
I usually buy products when they are on sale.	☐	☐	☐	☐	☐	☐	☐	☐
I buy the lowest priced product that will suit my needs.	☐	☐	☐	☐	☐	☐	☐	☐
When it comes to choosing a product for me, I rely heavily on price.	☐	☐	☐	☐	☐	☐	☐	☐
Price is the most important factor when I am choosing a brand.	☐	☐	☐	☐	☐	☐	☐	☐
I feel more involved in matters relating to other European countries than to countries outside Europe.	☐	☐	☐	☐	☐	☐	☐	☐
I feel attached to Europe and its people.	☐	☐	☐	☐	☐	☐	☐	☐

PART 4: QUESTIONS ABOUT COUNTRY OF ORIGIN

The following questions concern your present attitude to the country of origin.



To what extent do you agree with the following statements?	Strongly disagree							Strongly agree
Products from the European Union are of excellent quality.	☐	☐	☐	☐	☐	☐	☐	☐
Products from Europe are technically advanced.	☐	☐	☐	☐	☐	☐	☐	☐
European products are innovative	☐	☐	☐	☐	☐	☐	☐	☐
I am proud to own products from the EU.	☐	☐	☐	☐	☐	☐	☐	☐
Products from the European Union are supported by a lot of advertising.	☐	☐	☐	☐	☐	☐	☐	☐
Products from Europe have recognizable brand names.	☐	☐	☐	☐	☐	☐	☐	☐
Products from the EU are reliable.	☐	☐	☐	☐	☐	☐	☐	☐
Products from the European Union are expensive.	☐	☐	☐	☐	☐	☐	☐	☐
Products from the European Union have a high status.	☐	☐	☐	☐	☐	☐	☐	☐
Products from the EU are excellently finished.	☐	☐	☐	☐	☐	☐	☐	☐
European products are dependable.	☐	☐	☐	☐	☐	☐	☐	☐
Products from the EU are up-market.	☐	☐	☐	☐	☐	☐	☐	☐

How would you rate innovativeness of products from the European Union? Innovativeness designates the use of new technology and engineering advances.		
not innovative	☐ ☐ ☐ ☐ ☐ ☐ ☐	innovative

How would you rate the prestige of products from the European Union, including their exclusivity, status, and brand name reputation?		
low prestige	☐ ☐ ☐ ☐ ☐ ☐ ☐	high prestige

How would you rate the attractiveness of the design of products from the European Union, regarding appearance, style, colours, and variety?		
no attractive design	☐ ☐ ☐ ☐ ☐ ☐ ☐	attractive design

How would you rate the workmanship of products from the European Union, which comprises reliability, durability, craftsmanship, and manufacturing quality?		
bad workmanship	☐ ☐ ☐ ☐ ☐ ☐ ☐	good workmanship

PART 4: QUESTIONS ABOUT COUNTRY OF ORIGIN

The following questions concern your present attitude to the country of origin.



To what extent do you agree with the following statements?	Strongly disagree							Strongly agree
Being Spanish means a lot to me.	☐	☐	☐	☐	☐	☐	☐	☐
I am proud to be Spanish.	☐	☐	☐	☐	☐	☐	☐	☐
When a foreign person praises Spain, it feels like a personal compliment.	☐	☐	☐	☐	☐	☐	☐	☐
I don't feel any ties with Spain.	☐	☐	☐	☐	☐	☐	☐	☐
Spanish people should not buy foreign products, because this hurts Spanish business and causes unemployment.	☐	☐	☐	☐	☐	☐	☐	☐
It is not right to purchase foreign products, because this puts Spanish people out of jobs.	☐	☐	☐	☐	☐	☐	☐	☐
A real Spaniard should always buy Spanish products.	☐	☐	☐	☐	☐	☐	☐	☐
I always prefer Spanish products over foreign products.	☐	☐	☐	☐	☐	☐	☐	☐
We should purchase products manufactured in Spain, instead of letting other countries get rich off us.	☐	☐	☐	☐	☐	☐	☐	☐

PART 5: PERSONAL QUESTIONS

Finally, we are interested in some general demographic questions.



How often have you been abroad in the last year?		_____ times	
How interested are you in daily politics?	not interested	☐ ☐ ☐ ☐ ☐ ☐ ☐	very interested

Highest level of education
☐ compulsory school
☐ apprenticeship
☐ A-levels
☐ university / college
☐ other: _____

Occupation
☐ student / scholar
☐ employed
☐ unemployed
☐ retired
☐ other: _____

Net income per month
☐ less than 650 EUR
☐ 500 – 1.349 EUR
☐ 1.350 – 1.899 EUR
☐ 1.900 – 2.500 EUR
☐ more than 2.500 EUR

Gender
☐ female
☐ male
Age: _____ years

Residence
☐ city
☐ rural Areas

Citizenship
citizenship: _____

THANK YOU FOR YOUR PARTICIPATION!

EXPERIMENT ZUM THEMA KAUFBEREITSCHAFT

Vorab zu diesem Fragebogen:

Die vorliegende Umfrage findet im Rahmen eines Forschungsprojektes der Universität Wien statt. Alle Angaben werden **streng vertraulich** behandelt und werden so ausgewertet, dass keine Identifikation einzelner Teilnehmer möglich ist. Die Studie hat ausschließlich **wissenschaftlichen Charakter** und wird nicht für kommerzielle Zwecke verwendet!

In der Befragung gibt es keine richtigen oder falschen Antworten. Es wird überall **nach Ihrer persönlichen Einschätzung** gefragt.

An einigen Stellen im Fragebogen stellen wir Ihnen bewusst mehrere ähnliche Fragen zum gleichen Thema. Bitte lassen Sie sich davon nicht irritieren. Dies hat methodische Gründe.

Damit wir Ihren Fragebogen ausführlich auswerten können, ist es **wichtig, dass Sie alle Fragen beantworten**, selbst wenn Sie sich bei einer Antwort nicht ganz sicher sind. Eine ungefähre Angabe von Ihnen ist in diesem Fall wertvoller als ein unvollständig ausgefüllter Fragebogen.

Die meisten Fragen sind so konstruiert, dass Sie ihre Zustimmung zu den Aussagen auf einer siebenstufigen Skala bewerten sollen.

VIELEN DANK FÜR IHRE TEILNAHME!

TEIL 1: ALLGEMEINE FRAGEN

Zu Beginn bitten wir Sie ein paar Fragen zum Thema Schokolade zu beantworten.

Wie hungrig sind Sie gerade?	überhaupt nicht hungrig	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	sehr hungrig
Mögen Sie Schokolade?	mag ich überhaupt nicht	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	mag ich sehr
Wie häufig konsumieren Sie Schokolade?	sehr selten	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	sehr häufig
Wie viel bezahlen Sie normalerweise für eine Tafel Schokolade? (in EUR)	_____ Euro		
Wie hoch ist Ihr Interesse an der Schokolade?	sehr gering	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	sehr hoch
Wie hoch ist die Wahrscheinlichkeit, dass Sie in den nächsten sieben Tagen Schokolade kaufen werden?	sehr unwahrscheinlich	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	sehr wahrscheinlich
Wie stark war Ihr Bedürfnis nach Schokolade?	überhaupt nicht stark	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	sehr stark
Wie hat Ihnen die Schokolade geschmeckt?	überhaupt nicht gut	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	sehr gut

TEIL 2: BESCHREIBUNG DES EXPERIMENTS

Im Zuge der Befragung möchten wir mit Ihnen ein kurzes Experiment durchführen.



Bitte geben Sie Ihren persönlichen maximalen Kaufpreis an:	_____ Euro	
Bitte geben Sie den zufällig bestimmten Kaufpreis an:	_____ Euro	
Haben Sie Ihre Kaufverpflichtung erfüllt?	☐ Ja	☐ Nein
Würden Sie im Nachhinein einen höheren Preis angeben um das Produkt zu erhalten?	☐ Ja	☐ Nein
Sind Sie mit dem Ergebnis zufrieden?	☐ Ja	☐ Nein
Würden Sie noch einmal an einem solchen Experiment teilnehmen?	☐ Ja	☐ Nein

Inwieweit treffen folgende Aussagen zu?	Stimme gar nicht zu Stimme voll und ganz zu
Ich will jetzt keine Schokolade. Deswegen ist mein Gebot so niedrig, dass ich auf keinen Fall den Zuschlag erhalte.	○ ○ ○ ○ ○ ○ ○ ○
Ich habe auf einen besonders günstigen Kauf spekuliert.	○ ○ ○ ○ ○ ○ ○ ○
Die Erklärungen zur Vorgehensweise bei der Lotterie waren für mich verständlich.	○ ○ ○ ○ ○ ○ ○ ○
Ich bin mir bewusst, dass mein Gebot bindend ist.	○ ○ ○ ○ ○ ○ ○ ○
Ich bin mir bewusst, dass es sich hier um eine reale Kaufsituation handelt.	○ ○ ○ ○ ○ ○ ○ ○
Hätte ich mir länger über die Höhe des Gebotes Gedanken gemacht, hätte ich mich vielleicht anders entschieden.	○ ○ ○ ○ ○ ○ ○ ○
Hätte ich noch einmal die Chance ein Gebot abzugeben, würde ich es exakt in der gleichen Höhe abgeben.	○ ○ ○ ○ ○ ○ ○ ○

In welchem Ausmaß hat der Geschmack Ihr Gebot für das Produkt beeinflusst?	hat mich stark beeinflusst	○ ○ ○ ○ ○ ○ ○ ○	hat mich nicht beeinflusst
Im Vergleich zu Ihrem Gebot, wie viel würden Sie in einem herkömmlichen Geschäft für eine vergleichbare Tafel Schokolade bezahlen?	sehr viel weniger	○ ○ ○ ○ ○ ○ ○ ○	sehr viel mehr
War diese Vorgangsweise für Sie verwirrend?	sehr verwirrend	○ ○ ○ ○ ○ ○ ○ ○	überhaupt nicht verwirrend
Ich verstehe, warum es in meinem Interesse ist genau den Preis anzugeben, den ich bereit bin zu zahlen.	verstehe ich nicht	○ ○ ○ ○ ○ ○ ○ ○	verstehe ich sehr gut

TEIL 3: ALLGEMEINE FRAGEN ZUR PRODUKTKATEGORIE

Die folgenden Aussagen betreffen Ihre Einstellung zu Süßigkeiten.

Woher stammt die von Ihnen verkostete Schokolade? _____

Inwieweit treffen folgende Aussagen zu?	Stimme gar nicht zu	Stimme voll und ganz zu
		
Ich habe ein starkes Interesse an Süßigkeiten.	☐	☐
Süßigkeiten sind sehr wichtig für mich.	☐	☐
Für mich haben Süßigkeiten keine Bedeutung.	☐	☐
Ich wähle meine Süßigkeiten sehr sorgfältig aus.	☐	☐
Die Wahl von Süßwaren ist für mich eine sehr wichtige Entscheidung	☐	☐
Welche Süßigkeiten ich kaufe hat für mich eine sehr hohe Bedeutung.	☐	☐

Inwieweit treffen folgenden Aussagen zu?	Stimme gar nicht zu	Stimme voll und ganz zu
		
Gewöhnlich kaufe ich Produkte im Ausverkauf ein.	☐	☐
Ich kaufe immer das preisgünstigste Produkt.	☐	☐
Wenn es darum geht ein Produkt auszuwählen, schaue ich immer auf den Preis.	☐	☐
Preis ist für mich der wichtigste Faktor bei der Wahl einer Marke.	☐	☐
Ich beteilige mich stärker an Themen im Zusammenhang mit anderen europäischen Ländern als mit Ländern außerhalb Europas.	☐	☐
Ich fühle mich zu Europa und seine Menschen verbunden.	☐	☐

TEIL 4: IHRE EINSTELLUNG ZUM HERKUNFTSLAND

Die folgenden Fragen betreffen Ihre Einstellung zu dem vorliegenden Herkunftsland.

Inwieweit treffen folgenden Aussagen zu?	Stimme gar nicht zu	Stimme voll und ganz zu
Produkte aus Polen sind von hervorragender Qualität.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Produkte aus Polen sind technisch fortgeschritten.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Polnische Produkte sind innovativ.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Ich bin stolz darauf, Produkte aus Polen zu besitzen bzw. zu kaufen.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Produkte aus Polen werden von viel Werbung unterstützt.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Produkte aus Polen haben wieder erkennbare Marken.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Polnische Produkte sind glaubwürdig.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Polnische Produkte sind teuer.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Produkte aus Polen sind mit einem hohen Status verbunden.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Produkte aus Polen sind hervorragend verarbeitet.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Polnische Produkte sind verlässlich.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
Polnische Produkte gehören der gehobenen Preisklasse an.	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	

Wie würden Sie Innovationskraft der Produkte aus Polen bewerten? Innovativität bezeichnet den Einsatz neuer Technik und fortschrittliche Entwicklungen.		
überhaupt nicht innovativ	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	sehr innovativ

Wie würden Sie das Ansehen von Produkten aus Polen bewerten, einschließlich ihrer Exklusivität, Status und Ruf von Markennamen?		
niedriges Ansehen	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	hohes Ansehen

Wie bewerten Sie die Attraktivität des Designs von Produkten aus Polen in Bezug auf Aussehen, Stil, Farben und Vielfalt?		
unattraktives Design	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	sehr ansprechendes Design

Wie bewerten Sie die Verarbeitung von Erzeugnissen aus Polen die Zuverlässigkeit, Langlebigkeit, Handwerk, sowie die Fertigungsqualität?		
schlechte Verarbeitung	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	gute Verarbeitung

TEIL 4: IHRE EINSTELLUNG ZUM HERKUNFTSLAND

Die folgenden Fragen betreffen Ihre Einstellung zu dem vorliegenden Herkunftsland.



Inwieweit treffen folgende Aussagen zu?	Stimme gar nicht zu							Stimme voll und ganz zu
Österreicher zu sein bedeutet mir sehr viel.	☐	☐	☐	☐	☐	☐	☐	☐
Ich bin stolz darauf Österreicher zu sein.	☐	☐	☐	☐	☐	☐	☐	☐
Wenn jemand aus dem Ausland Österreich lobt, fühlt es sich wie ein persönliches Kompliment an.	☐	☐	☐	☐	☐	☐	☐	☐
Ich empfinde keinerlei Bindung zu Österreich.	☐	☐	☐	☐	☐	☐	☐	☐
Österreicher sollten keine ausländischen Produkte kaufen, weil das der österreichischen Wirtschaft schadet und Arbeitslosigkeit verursacht.	☐	☐	☐	☐	☐	☐	☐	☐
Es ist falsch ausländische Produkte zu kaufen, weil dadurch Österreicher ihren Job verlieren.	☐	☐	☐	☐	☐	☐	☐	☐
Ein echter Österreicher sollte immer österreichische Produkte kaufen.	☐	☐	☐	☐	☐	☐	☐	☐
Ich bevorzuge immer österreichische Produkte gegenüber ausländischen Produkten.	☐	☐	☐	☐	☐	☐	☐	☐
Wir sollten Produkte aus Österreich kaufen, anstatt andere Länder reich zu machen.	☐	☐	☐	☐	☐	☐	☐	☐

TEIL 5: FRAGEN ZU IHRER PERSON

Zuletzt stellen wir noch allgemeine, demographische Fragen zu Ihrer Person.



Wie oft waren Sie im letzten Jahr im Ausland?		_____ mal	
Waren Sie schon einmal in Polen?		☐ Ja ☐ Nein	
Wie schätzen Sie Ihr Interesse am politischen Tagesgeschehen ein?	sehr gering	① ② ③ ④ ⑤ ⑥ ⑦	sehr hoch

Höchste abgeschlossene Schulbildung
☐ Pflichtschule
☐ Lehre / Fachschule
☐ Matura
☐ Universität / FH
☐ Sonstiges: _____

Beruf
☐ Student / Schüler
☐ erwerbstätig
☐ arbeitslos
☐ in Pension
☐ Sonstiges: _____

Nettoeinkommen pro Monat
☐ weniger als 650 EUR
☐ 650 – 1.349 EUR
☐ 1.350 – 1.899 EUR
☐ 1.900 – 2.500 EUR
☐ mehr als 2.500 EUR

Geschlecht
☐ weiblich
☐ männlich
Alter: _____ Jahre

Wohnsitz
☐ Stadt
☐ Ländlicher Raum

Staatsbürgerschaft
Staatsbürgerschaft: _____

VIELEN DANK FÜR IHRE TEILNAHME!

APPENDIX D: Packaging Used in the Empirical Study







APPENDIX E: Detailed Results of the Tests of Normality

Tests of Normality

		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
PRODUCT CATEGORY - Product Level	Belgium, Poland or EU						
	Belgium	,172	101	,000	,937	101	,000
	Poland	,090	95	,053	,959	95	,005
	EU	,113	86	,008	,926	86	,000
PRODUCT CATEGORY - Brand Choice Level	Belgium	,091	101	,038	,972	101	,028
	Poland	,097	95	,028	,957	95	,004
	EU	,086	86	,161	,966	86	,025
PRODUCT CATEGORY	Belgium	,069	101	,200*	,982	101	,191
	Poland	,074	95	,200*	,976	95	,076
	EU	,077	86	,200*	,977	86	,131
PRICE CONSCIOUSNESS	Belgium	,134	101	,000	,953	101	,001
	Poland	,107	95	,010	,962	95	,008
	EU	,068	86	,200*	,971	86	,050
COUNTRY IMAGE - Pappu, Quester, Cooksey (2007)	Belgium	,083	101	,082	,983	101	,223
	Poland	,096	95	,031	,980	95	,155
	EU	,066	86	,200*	,971	86	,053
COUNTRY IMAGE - Roth and Romeo (1992)	Belgium	,085	101	,070	,979	101	,116
	Poland	,191	95	,000	,957	95	,004
	EU	,081	86	,200*	,981	86	,252
NATIONAL IDENTIFICATION	Belgium	,124	101	,001	,926	101	,000
	Poland	,165	95	,000	,866	95	,000
	EU	,142	86	,000	,911	86	,000
EUROPEAN IDENTITY	Belgium	,142	101	,000	,958	101	,003
	Poland	,104	95	,013	,955	95	,003
	EU	,120	86	,004	,939	86	,001
CONSUMER ETHNOCENTRISM	Belgium	,137	101	,000	,909	101	,000
	Poland	,145	95	,000	,906	95	,000
	EU	,130	86	,001	,920	86	,000

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

APPENDIX F: ANOVA - Country Image

ANOVA

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
COUNTRY IMAGE - Pappu, Quester, Cooksey	1,881	2	280	,154
COUNTRY IMAGE - Roth and Romeo	1,411	2	280	,246

		Sum of Squares	df	Mean Square	F	Sig.
COUNTRY IMAGE - Pappu, Quester, Cooksey	Between Groups	88,236	2	44,118	72,981	,000
	Within Groups	169,264	280	,605		
	Total	257,500	282			
COUNTRY IMAGE - Roth and Romeo	Between Groups	56,735	2	28,367	49,928	,000
	Within Groups	159,086	280	,568		
	Total	215,821	282			

Multiple Comparisons

Dependent Variable		(I) Belgium, Poland or EU	(J) Belgium, Poland or EU	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
COUNTRY IMAGE - Pappu, Quester, Cooksey	Tukey HSD	Belgium	Poland	,85589*	,11083	,000	,5948	1,1170
			EU	-,51653*	,11408	,000	-,7853	-,2477
		Poland	Belgium	-,85589*	,11083	,000	-1,1170	-,5948
			EU	-1,37242*	,11544	,000	-1,6444	-1,1004
		EU	Belgium	,51653*	,11408	,000	,2477	,7853
			Poland	1,37242*	,11544	,000	1,1004	1,6444
COUNTRY IMAGE - Roth and Romeo	Tukey HSD	Belgium	Poland	,69864*	,10744	,000	,4455	,9518
			EU	-,39875*	,11060	,001	-,6593	-,1381
		Poland	Belgium	-,69864*	,10744	,000	-,9518	-,4455
			EU	-1,09738*	,11191	,000	-1,3611	-,8337
		EU	Belgium	,39875*	,11060	,001	,1381	,6593
			Poland	1,09738*	,11191	,000	,8337	1,3611

*. The mean difference is significant at the .05 level.

APPENDIX G: Correlation Tables

Correlations

		Final Price Offer	PRODUCT CATEGORY - Product Level	PRODUCT CATEGORY - Brand Choice Level	PRODUCT CATEGORY	PRICE CONSCIOUSNESS	COUNTRY IMAGE - Pappu, Quester, Cooksey	COUNTRY IMAGE - Roth and Romeo	NATIONAL IDENTIFICATION	EUROPEAN IDENTITY	CONSUMER ETHNOCENTRISM
Final Price Offer	Pearson Correlation	1	-.070	-.006	-.018	-.056	,136*	,226**	-.008	,065	-.044
	Sig. (2-tailed)		,239	,914	,758	,350	,022	,000	,895	,278	,462
	N	283	283	283	283	283	283	283	282	283	282
PRODUCT CATEGORY - Product Level	Pearson Correlation	-.070	1	,439**	,723**	-.151*	,269**	,190**	,093	,129*	-.142*
	Sig. (2-tailed)	,239		,000	,000	,011	,000	,001	,120	,030	,017
	N	283	283	283	283	283	283	283	282	283	282
PRODUCT CATEGORY - Brand Choice Level	Pearson Correlation	-.006	,439**	1	,910**	-.221**	,224**	,155**	,065	,153**	,017
	Sig. (2-tailed)	,914	,000		,000	,000	,000	,009	,277	,010	,771
	N	283	283	283	283	283	283	283	282	283	282
PRODUCT CATEGORY	Pearson Correlation	-.018	,723**	,910**	1	-.228**	,254**	,176**	,096	,128*	-.038
	Sig. (2-tailed)	,758	,000	,000		,000	,000	,003	,106	,031	,527
	N	283	283	283	283	283	283	283	282	283	282
PRICE CONSCIOUSNESS	Pearson Correlation	-.056	-.151*	-.221**	-.228**	1	,065	,003	-.135*	,009	-.100
	Sig. (2-tailed)	,350	,011	,000	,000		,273	,965	,023	,875	,094
	N	283	283	283	283	283	283	283	282	283	282
COUNTRY IMAGE - Pappu, Quester, Cooksey (2007)	Pearson Correlation	,136*	,269**	,224**	,254**	,065	1	,774**	,136*	,367**	,062
	Sig. (2-tailed)	,022	,000	,000	,000	,273		,000	,023	,000	,299
	N	283	283	283	283	283	283	283	282	283	282
COUNTRY IMAGE - Roth and Romeo (2002)	Pearson Correlation	,226**	,190**	,155**	,176**	,003	,774**	1	,129*	,294**	,057
	Sig. (2-tailed)	,000	,001	,009	,003	,965	,000		,031	,000	,341
	N	283	283	283	283	283	283	283	282	283	282
NATIONAL IDENTIFICATION	Pearson Correlation	-.008	,093	,065	,096	-.135*	,136*	,129*	1	,297**	,252**
	Sig. (2-tailed)	,895	,120	,277	,106	,023	,023	,031		,000	,000
	N	282	282	282	282	282	282	282	282	282	282
EUROPEAN IDENTITY	Pearson Correlation	,065	,129*	,153**	,128*	,009	,367**	,294**	,297**	1	,056
	Sig. (2-tailed)	,278	,030	,010	,031	,875	,000	,000	,000		,352
	N	283	283	283	283	283	283	283	282	283	282
CONSUMER ETHNOCENTRISM	Pearson Correlation	-.044	-.142*	,017	-.038	-.100	,062	,057	,252**	,056	1
	Sig. (2-tailed)	,462	,017	,771	,527	,094	,299	,341	,000	,352	
	N	282	282	282	282	282	282	282	282	282	282

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations

			Final Price Offer	PRODUCT CATEGORY - Product Level	PRODUCT CATEGORY - Brand Choice Level	PRODUCT CATEGORY	PRICE CONSCIOUSNESS	COUNTRY IMAGE - Pappu, Quester, Cooksey	COUNTRY IMAGE - Roth and Romeo	NATIONAL IDENTIFICATION	EUROPEAN IDENTITY	CONSUMER ETHNOCENTRISM
Belgium, Poland or EU												
Belgium	Final Price Offer	Pearson Correlation	1	-,146	-,101	-,101	-,003	-,042	,171	-,017	-,024	,039
		Sig. (2-tailed)		,145	,317	,316	,978	,680	,087	,864	,809	,700
		N	101	101	101	101	101	101	101	101	101	101
	PRODUCT CATEGORY - Product Level	Pearson Correlation	-,146	1	,379**	,680**	-,177	,252*	,161	,255**	,176	-,234*
		Sig. (2-tailed)	,145		,000	,000	,076	,011	,109	,010	,079	,018
		N	101	101	101	101	101	101	101	101	101	101
	PRODUCT CATEGORY - Brand Choice Level	Pearson Correlation	-,101	,379**	1	,908**	-,262**	,249*	,024	,182	,298**	-,102
		Sig. (2-tailed)	,317	,000		,000	,008	,012	,814	,068	,002	,311
		N	101	101	101	101	101	101	101	101	101	101
	PRODUCT CATEGORY	Pearson Correlation	-,101	,680**	,908**	1	-,237*	,285**	,066	,242*	,245*	-,160
		Sig. (2-tailed)	,316	,000	,000		,017	,004	,510	,015	,014	,109
		N	101	101	101	101	101	101	101	101	101	101
	PRICE CONSCIOUSNESS	Pearson Correlation	-,003	-,177	-,262**	-,237*	1	,156	,056	-,118	,062	,151
		Sig. (2-tailed)	,978	,076	,008	,017		,119	,580	,239	,540	,131
		N	101	101	101	101	101	101	101	101	101	101
	COUNTRY IMAGE - Pappu, Quester, Cooksey (2007)	Pearson Correlation	-,042	,252*	,249*	,285**	,156	1	,631**	,231*	,328**	,038
		Sig. (2-tailed)	,680	,011	,012	,004	,119		,000	,020	,001	,708
		N	101	101	101	101	101	101	101	101	101	101
	COUNTRY IMAGE - Roth and Romeo (1992)	Pearson Correlation	,171	,161	,024	,066	,056	,631**	1	,185	,231*	-,029
		Sig. (2-tailed)	,087	,109	,814	,510	,580	,000		,064	,020	,777
		N	101	101	101	101	101	101	101	101	101	101
	NATIONAL IDENTIFICATION	Pearson Correlation	-,017	,255**	,182	,242*	-,118	,231*	,185	1	,311**	,226*
		Sig. (2-tailed)	,864	,010	,068	,015	,239	,020	,064		,002	,023
		N	101	101	101	101	101	101	101	101	101	101
	EUROPEAN IDENTITY	Pearson Correlation	-,024	,176	,298**	,245*	,062	,328**	,231*	,311**	1	,068
		Sig. (2-tailed)	,809	,079	,002	,014	,540	,001	,020	,002		,497
		N	101	101	101	101	101	101	101	101	101	101
	CONSUMER ETHNOCENTRISM	Pearson Correlation	,039	-,234*	-,102	-,160	,151	,038	-,029	,226*	,068	1
		Sig. (2-tailed)	,700	,018	,311	,109	,131	,708	,777	,023	,497	
		N	101	101	101	101	101	101	101	101	101	101

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations

Belgium, Poland or EU			Final Price Offer	PRODUCT CATEGORY - Product Level	PRODUCT CATEGORY - Brand Choice Level	PRODUCT CATEGORY	PRICE CONSCIOUSNESS	COUNTRY IMAGE - Pappu, Quester, Cooksey	COUNTRY IMAGE - Roth and Romeo	NATIONAL IDENTIFICATION	EUROPEAN IDENTITY	CONSUMER ETHNOCENTRISM
EU	Final Price Offer	Pearson Correlation	1	,043	,087	,091	-,088	,387**	,348**	,106	,229*	,094
		Sig. (2-tailed)		,694	,423	,403	,420	,000	,001	,329	,034	,392
		N	86	86	86	86	86	86	86	86	86	86
	PRODUCT CATEGORY - Product Level	Pearson Correlation	,043	1	,504**	,773**	-,088	,228*	,271*	,017	,041	-,198
		Sig. (2-tailed)	,694		,000	,000	,421	,035	,012	,879	,708	,067
		N	86	86	86	86	86	86	86	86	86	86
	PRODUCT CATEGORY - Brand Choice Level	Pearson Correlation	,087	,504**	1	,910**	-,115	,320**	,388**	,016	,098	,020
		Sig. (2-tailed)	,423	,000		,000	,292	,003	,000	,885	,369	,858
		N	86	86	86	86	86	86	86	86	86	86
	PRODUCT CATEGORY	Pearson Correlation	,091	,773**	,910**	1	-,144	,311**	,397**	,038	,019	-,028
		Sig. (2-tailed)	,403	,000	,000		,185	,004	,000	,726	,864	,795
		N	86	86	86	86	86	86	86	86	86	86
	PRICE CONSCIOUSNESS	Pearson Correlation	-,088	-,088	-,115	-,144	1	,063	-,057	-,138	,006	-,203
		Sig. (2-tailed)	,420	,421	,292	,185		,566	,603	,204	,957	,061
		N	86	86	86	86	86	86	86	86	86	86
	COUNTRY IMAGE - Pappu, Quester, Cooksey (2007)	Pearson Correlation	,387**	,228*	,320**	,311**	,063	1	,760**	,269*	,504**	-,044
		Sig. (2-tailed)	,000	,035	,003	,004	,566		,000	,012	,000	,687
		N	86	86	86	86	86	86	86	86	86	86
	COUNTRY IMAGE - Roth and Romeo (1992)	Pearson Correlation	,348**	,271*	,388**	,397**	-,057	,760**	1	,318**	,418**	,063
		Sig. (2-tailed)	,001	,012	,000	,000	,603	,000		,003	,000	,562
		N	86	86	86	86	86	86	86	86	86	86
	NATIONAL IDENTIFICATION	Pearson Correlation	,106	,017	,016	,038	-,138	,269*	,318**	1	,272*	,248*
		Sig. (2-tailed)	,329	,879	,885	,726	,204	,012	,003		,011	,021
		N	86	86	86	86	86	86	86	86	86	86
	EUROPEAN IDENTITY	Pearson Correlation	,229*	,041	,098	,019	,006	,504**	,418**	,272*	1	-,045
		Sig. (2-tailed)	,034	,708	,369	,864	,957	,000	,000	,011		,678
		N	86	86	86	86	86	86	86	86	86	86
	CONSUMER ETHNOCENTRISM	Pearson Correlation	,094	-,198	,020	-,028	-,203	-,044	,063	,248*	-,045	1
		Sig. (2-tailed)	,392	,067	,858	,795	,061	,687	,562	,021	,678	
		N	86	86	86	86	86	86	86	86	86	86

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations

Belgium, Poland or EU			Final Price Offer	PRODUCT CATEGORY - Product Level	PRODUCT CATEGORY - Brand Choice Level	PRODUCT CATEGORY	PRICE CONSCIOUSNESS	COUNTRY IMAGE - Pappu, Quester, Cooksey	COUNTRY IMAGE - Roth and Romeo	NATIONAL IDENTIFICATION	EUROPEAN IDENTITY	CONSUMER ETHNOCENTRISM
Poland	Final Price Offer	Pearson Correlation	1	-,114	-,028	-,064	-,139	,027	,165	-,015	-,002	-,290**
		Sig. (2-tailed)		,267	,790	,535	,178	,796	,107	,888	,986	,004
		N	96	96	96	96	96	96	96	95	96	95
	PRODUCT CATEGORY - Product Level	Pearson Correlation	-,114	1	,450**	,725**	-,189	,173	-,043	,036	,103	-,041
		Sig. (2-tailed)	,267	,000	,000	,000	,065	,093	,678	,726	,318	,696
		N	96	96	96	96	96	96	96	95	96	95
	PRODUCT CATEGORY - Brand Choice Level	Pearson Correlation	-,028	,450**	1	,915**	-,304**	,172	,045	,027	,057	,140
		Sig. (2-tailed)	,790	,000	,000	,000	,003	,094	,662	,794	,578	,175
		N	96	96	96	96	96	96	96	95	96	95
	PRODUCT CATEGORY	Pearson Correlation	-,064	,725**	,915**	1	-,308**	,184	,004	,039	,093	,064
		Sig. (2-tailed)	,535	,000	,000		,002	,072	,966	,704	,366	,539
		N	96	96	96	96	96	96	96	95	96	95
	PRICE CONSCIOUSNESS	Pearson Correlation	-,139	-,189	-,304**	-,308**	1	,010	-,007	-,120	-,031	-,199
		Sig. (2-tailed)	,178	,065	,003	,002		,927	,943	,245	,762	,054
		N	96	96	96	96	96	96	96	95	96	95
	COUNTRY IMAGE - Pappu, Quester, Cooksey (2007)	Pearson Correlation	,027	,173	,172	,184	,010	1	,634**	,275**	,254*	,122
		Sig. (2-tailed)	,796	,093	,094	,072	,927		,000	,007	,012	,239
		N	96	96	96	96	96	96	96	95	96	95
	COUNTRY IMAGE - Roth and Romeo (1992)	Pearson Correlation	,165	-,043	,045	,004	-,007	,634**	1	,174	,157	,058
		Sig. (2-tailed)	,107	,678	,662	,966	,943	,000		,093	,125	,575
		N	96	96	96	96	96	96	96	95	96	95
	NATIONAL IDENTIFICATION	Pearson Correlation	-,015	,036	,027	,039	-,120	,275**	,174	1	,380**	,300**
		Sig. (2-tailed)	,888	,726	,794	,704	,245	,007	,093		,000	,003
		N	95	95	95	95	95	95	95	95	95	95
	EUROPEAN IDENTITY	Pearson Correlation	-,002	,103	,057	,093	-,031	,254*	,157	,380**	1	,113
		Sig. (2-tailed)	,986	,318	,578	,366	,762	,012	,125	,000		,276
		N	96	96	96	96	96	96	96	95	96	95
	CONSUMER ETHNOCENTRISM	Pearson Correlation	-,290**	-,041	,140	,064	-,199	,122	,058	,300**	,113	1
		Sig. (2-tailed)	,004	,696	,175	,539	,054	,239	,575	,003	,276	
		N	95	95	95	95	95	95	95	95	95	95

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Correlations

		Final Price Offer	How hungry are you right now? / Measures of Face Validity	How much do you like chocolate?	How often do you eat chocolate?	How much do you normally pay for a chocolate bar? (in EUR)	Are you interested in chocolate	What is the probability that you will buy chocolate in the next seven days?	How much did you crave the chocolate bar?	How much did you like the taste of the chocolate bar?
Final Price Offer	Pearson Correlation	1	-,071	-,060	-,132*	,530**	-,047	-,049	-,059	,195**
	Sig. (2-tailed)		,236	,312	,027	,000	,429	,411	,324	,001
	N	283	283	282	280	263	281	283	283	275
How hungry are you right now? / Measures of Face Validity	Pearson Correlation	-,071	1	,130*	,158**	-,026	,108	,084	,360**	,123*
	Sig. (2-tailed)	,236		,030	,008	,676	,070	,161	,000	,042
	N	283	283	282	280	263	281	283	283	275
How much do you like chocolate?	Pearson Correlation	-,060	,130*	1	,615**	,059	,568**	,423**	,418**	,267**
	Sig. (2-tailed)	,312	,030		,000	,339	,000	,000	,000	,000
	N	282	282	282	279	263	280	282	282	274
How often do you eat chocolate?	Pearson Correlation	-,132*	,158**	,615**	1	,052	,623**	,554**	,455**	,182**
	Sig. (2-tailed)	,027	,008	,000		,408	,000	,000	,000	,003
	N	280	280	279	280	260	278	280	280	272
How much do you normally pay for a chocolate bar? (in EUR)	Pearson Correlation	,530**	-,026	,059	,052	1	,102	-,023	,035	,047
	Sig. (2-tailed)	,000	,676	,339	,408		,099	,707	,573	,459
	N	263	263	263	260	263	261	263	263	256
Are you interested in chocolate	Pearson Correlation	-,047	,108	,568**	,623**	,102	1	,538**	,484**	,227**
	Sig. (2-tailed)	,429	,070	,000	,000	,099		,000	,000	,000
	N	281	281	280	278	261	281	281	281	273
What is the probability that you will buy chocolate in the next seven days?	Pearson Correlation	-,049	,084	,423**	,554**	-,023	,538**	1	,416**	,220**
	Sig. (2-tailed)	,411	,161	,000	,000	,707	,000		,000	,000
	N	283	283	282	280	263	281	283	283	275
How much did you crave the chocolate bar?	Pearson Correlation	-,059	,360**	,418**	,455**	,035	,484**	,416**	1	,293**
	Sig. (2-tailed)	,324	,000	,000	,000	,573	,000	,000		,000
	N	283	283	282	280	263	281	283	283	275
How much did you like the taste of the chocolate bar?	Pearson Correlation	,195**	,123*	,267**	,182**	,047	,227**	,220**	,293**	1
	Sig. (2-tailed)	,001	,042	,000	,003	,459	,000	,000	,000	
	N	275	275	274	272	256	273	275	275	275

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

APPENDIX H: Distribution of WTP

	Belgium (n=101)		EU (n=86)		Poland (n=96)	
Sorted Willingness to pay	Frequency / Cumulative Percent		Frequency / Cumulative Percent		Frequency / Cumulative Percent	
0,5	3	3%	1	1,2%	2	2,1%
0,6			4	5,8%	3	5,2%
0,7	1	4%	1	7%	1	6,3%
0,75	1	5%			1	7,3%
0,8	4	8,9%	1	8,1%	8	15,6%
0,85	3	11,9%				
0,9	1	12,9%	3	11,6%	2	17,7%
1	10	22,8%	21	36%	15	33,3%
1,1	2	24,8%	1	37,2%		
1,15			1	38,4%		
1,2	3	27,7%	3	41,9%	5	38,5%
1,3	3	30,7%	1	43%	2	40,6%
1,4			1	44,2%		
1,5	16	46,5%	14	60,5%	20	61,5%
1,75	1	47,5%			3	64,6%
1,8	2	49,5%			3	67,7%
1,85	1	50,5%				
1,95	1	51,5%				
2	23	74,3%	21	84,9%	18	86,5%
2,1					1	87,5%
2,2			1	86%	1	88,5%
2,5	9	83,2%	4	90,7%	5	93,8%
2,75	2	85,1%				
3	10	95%	5	96,5%	4	97,9%
3,5	1	96%			1	99%
4	2	98%	2	98,8%	1	100%
4,5			1	100%		
5	2	100%				

APPENDIX I: ANOVA – WTP

Test of Homogeneity of Variances

Please indicate your final price offer:

Levene Statistic	df1	df2	Sig.
2,192	2	280	,114

ANOVA

Please indicate your final price offer:

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5,179	2	2,590	4,081	,018
Within Groups	177,684	280	,635		
Total	182,864	282			

Multiple Comparisons

Dependent Variable: Please indicate your final price offer:

Tukey HSD

(I) Belgium, Poland or EU	(J) Belgium, Poland or EU	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Belgium	Poland	,30881*	,11355	,019	,0413	,5764
	EU	,24054	,11688	,101	-,0349	,5160
Poland	Belgium	-,30881*	,11355	,019	-,5764	-,0413
	EU	-,06827	,11828	,832	-,3470	,2104
EU	Belgium	-,24054	,11688	,101	-,5160	,0349
	Poland	,06827	,11828	,832	-,2104	,3470

*. The mean difference is significant at the .05 level.

Please indicate your final price offer:

Tukey HSD^{a,b}

Belgium, Poland or EU	N	Subset for alpha = .05	
		1	2
Poland	96	1,5521	
EU	86	1,6203	1,6203
Belgium	101		1,8609
Sig.		,827	,098

Means for groups in homogeneous subsets are displayed.

- Uses Harmonic Mean Sample Size = 93,910.
- The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.

APPENDIX J: Abstracts

ENGLISH ABSTRACT

Internationalization enhances the importance to know how consumers react to the notion of a supra-national concept like ‘Europe’ and to discover the perception of labels associated with the EU. Based on a vast existing body of literature on the subject of country-of-origin (COO) effects the research at hand investigates the price related consequences of a *Regional Designation* in the form of a ‘Made in the EU’ origin mark (OM). This thesis bridges a gap between COO research and European social studies with a marketing perspective, analysing the proposed European labelling practice. The research specifically aims to examine differences in consumer willingness to pay (WTP) for products with certain COO cues, e.g. ‘Made in Belgium’, and ‘Made in Poland’ as opposed to products with *Regional Designation* in the form of ‘Made in the EU’ labels. In an effort to focus on the consumers’ manifested construction of Europe this paper addresses the emotional and symbolic connotations related to a product’s origin by examining the country-related, consumer-related and product-related factors of influence on WTP. *European Identity* (EID) is introduced in the context of international marketing. The thesis at hand puts a price tag on EID in combining COO research with reliable measurements of WTP in a “point-of-purchase” situation. The Becker-DeGroot-Marschak (BDM) mechanism is used to elicit *true* willingness to pay. The analyses of the research conducted in Spain show significant influence of *Country Image*, *European Identity* and *Consumer Preference* on WTP for products with *Regional Designation*. The results therefore put emphasis on further research across different disciplines on the formation of *European Identity* and the implications of *Regional Designation*.

GERMAN ABSTRACT

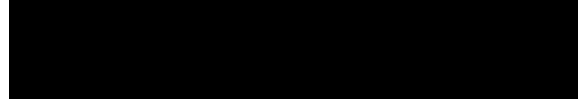
Aufgrund zunehmender Internationalisierung wird es immer wichtiger zu wissen, welche Vorstellungen Verbraucher mit supranationalen Einheiten wie der Europäischen Union assoziieren. Basierend auf einem riesigen Bestand an Literatur zu Auswirkungen des Herkunftslandes auf das Entscheidungsverhalten von Konsumenten, wird in dieser Arbeit der Einfluss *Regionaler Herkunftsbezeichnungen*, in der Form einer Ursprungskennzeichnung "Hergestellt in der EU", auf die individuelle Zahlungsbereitschaft von Verbrauchern untersucht. Diese Diplomarbeit versucht eine Brücke zwischen Sozial- und Wirtschaftswissenschaften zu schlagen, in dem die möglichen Folgen einer Einführung der vorgeschlagenen europäischen Produktkennzeichnung aus einer Marketing-Perspektive beleuchtet werden. Die Forschung zielt insbesondere auf Unterschiede in der individuellen Zahlungsbereitschaft von Konsumenten im Hinblick auf länderspezifische Produktkennzeichnungen mit dem Hinweis: "Hergestellt in Belgien" und "Hergestellt in Polen", sowie *Regionaler Herkunftsbezeichnung* in Form einer „Hergestellt in der EU“ Angabe. Das Konzept einer gemeinsamen europäischen Identität wird in einem Marketing Kontext bearbeitet. Die Arbeit befasst sich mit den emotionalen und symbolischen Assoziationen der Herkunft eines Produkts. In dem Bemühen, die Einflussfaktoren auf die vom Verbraucher manifestierte Zahlungsbereitschaft zu erforschen, werden länderspezifischen, konsumentenbezogenen und produktbezogenen Moderatoren untersucht. Die Zahlungsbereitschaft wird hierbei anhand einer Lotterie nach Becker/DeGroot/Marschak (BDM) ermittelt. Die Ergebnisse der in Spanien durchgeführten Forschung, zeigen einen signifikanten Einfluss des Images eines Landes, der ermittelten Europäischen Identität und der Kundenpräferenz auf die Zahlungsbereitschaft für Produkte mit *Regionaler Kennzeichnung*. Die Ergebnisse forcieren daher interdisziplinäre Forschung im Bezug auf das Entstehen einer europäischen Identität und der Einführung *Regionaler Herkunftsbezeichnungen*.

APPENDIX K: Curriculum Vitae

Maximilian Eberl, BA

Born: Jan 7, 1984

address:



EDUCATION AND TRAINING

Since 09/2007 **University of Vienna (Universität Wien - BWZ)**, masters program in **International Business Administration** with an emphasis on International Marketing, Best Student Award 2012

09/2010 – 02/2011 **University of Granada (Universidad de Granada)**, Economic and Business Sciences, exchange semester ERASMUS

2004 – 2007 **University of Applied Science (Fachhochschule Eisenstadt)**, International Business Relations focusing on Central and Eastern Europe with a concentration on sales and distribution management - graduated w/ **Bachelor of Arts in Business**

09/2006 – 02/2007 **Cracow University of Economics (Akademia Ekonomiczna)**, International Business, exchange semester CEEPUS

09/2002 – 02/2003 **University of Vienna (Universität Wien)**, French

1994 – 2002 **Gymnasium “Sir-Karl-Popper-Schule“**, Vienna, A-Levels in 6/02

Training

01/2012 **DMVÖ Marketing Certificate 2012**

09/2011 **Google Advertising Fundamentals Exam**

10/2002 **Bartender-Diploma**, “1. Österreichischen Barkeeperschule”

WORK AND INTERNATIONAL EXPERIENCE

- 05/2011 – Present INEX - International Network for Educational Exchange, Vienna** – project coordinator “INEX Sustainability Challenge”, **marketing & sales**, social media administration, international communication
- 02/2010 – 05/2010 HIRT&FRIENDS GmbH, Vienna** – management consultancy, office manager, project associate
- 2005 – 2009 Fondation pour la Mémoire de la Déportation, Paris/France** – **project manager** of the internet database www.bddm.org
- 04/2008 – 07/2008 UEFA Euro 2008 SA, Vienna** – venue accreditation assistant IBC, management of the accreditation center, **supervising 40-60 volunteers**
- 03/2007 – 06/2007 Dexia Kommunalkredit Bank Polska S.A., Warsaw/Poland** – financial analysis, market research and municipal rating development
- 10/2006 – 02/2007 Austrian Consulate General and Austrian Cultural Forum, Krakow/Poland** – cultural administration, preparation of cultural projects and event management
- 2001 – 2004 Sir Karl Popper-Schule, Vienna** – project manager of the Internet project www.popperschule.at, award-winning at the Vienna “Cyberschool“ contest 2003
- 02/2003 – 03/2004 Fondation pour la Mémoire de la Déportation, Paris/France** – Austrian Holocaust-Memorial Service, translations, research and public relations
- 03/2003 – 07/2003 Hotel Westminster, Paris/France** – room service, front desk and customer support
- Since 2001** Various summer internships and part-time jobs

LANGUAGE SKILLS

German	Native
French	Proficient User
English	Proficient User, CAE
Spanish	Proficient User
Polish	Intermediate level

ADDITIONAL QUALIFICATIONS

11/2011	students4excellence Case Challenge
01/2011	Curso de Español como lengua extranjera, nivel B2.2
05/2010	Conference Win² 2010
07/2000	French language course at “Institut Parisien”, niveau perfectionnement

Driving license A/B, profound computer literacy in different areas, including MacOS, SPSS, Internet, Social Media, MSOffice, Google AdWords, Wordpress, PHP and html

PERSONAL INTERESTS

Musician, bartender, dancer, sportsman; world traveler; various social commitments including amongst other the Ute Bock association, Casa de los Tres Mundos, functional_green